

The State Board of Regents met on Wednesday, October 21, 1992, at the University of Northern Iowa, Cedar Falls, Iowa. The following were in attendance:

	<u>October 21</u>
<u>Members of State Board of Regents</u>	
Mr. Pomerantz, President	All sessions
Mr. Berenstein	All sessions
Mr. Dorr	All sessions
Mr. Fitzgibbon	All sessions
Ms. Furgerson	All sessions
Mrs. Hendricks	All sessions
Ms. Johnson	All sessions
Dr. Tyrrell	All sessions
Mrs. Williams	All sessions
<u>Office of the State Board of Regents</u>	
Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Kominski	All sessions
Director Volm	All sessions
Compliance Officer Maxwell	All sessions
Minutes Secretary Briggle	All sessions
<u>State University of Iowa</u>	
President Rawlings	All sessions
Vice President Nathan	All sessions
Vice President Rhodes	All sessions
Interim Vice President True	All sessions
Associate Vice President Small	All sessions
Director Yanecek	All sessions
<u>Iowa State University</u>	
President Jischke	All sessions
Provost Kozak	All sessions
Vice President Madden	All sessions
Vice President Thielen	All sessions
Associate to the President Adams	All sessions
Executive Assistant to the President Mack	All sessions
Director Jensen	All sessions
<u>University of Northern Iowa</u>	
President Curris	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Vice President Follon	All sessions
Executive Ass't. to President Stinchfield	All sessions
Assistant to President Gadelmann	All sessions
Director Chilcott	All sessions
<u>Iowa School for the Deaf</u>	
Superintendent Johnson	All sessions
Business Manager Nelson	All sessions
Interpreter Peek	All sessions
Interpreter Dommer	All sessions
<u>Iowa Braille and Sight Saving School</u>	
Superintendent Thurman	All sessions
Director Hauser	All sessions
Director Utsinger	All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, October 21, 1992.

APPROVAL OF MINUTES OF BOARD MEETING, SEPTEMBER 23, 1992. President Pomerantz asked for corrections, if any, to the Minutes.

ACTION: President Pomerantz stated the Board approved the Minutes of the September 23, 1992, meeting, as presented, by general consent.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Indian Ambassador. The Board Office recommended the Board receive the status report.

At the September Board meeting, representatives of the American Indians presented three recommendations to the Board and the Board indicated that one item (i.e., the "Indian Ambassador") should come back to the Board for action in October.

The Board Office and the Interinstitutional Committee on Educational Coordination held a conference call to discuss this matter and concluded that it would be best to meet with the American Indian representatives to clarify the proposal for an Indian Ambassador before preparing a recommendation for the consideration of the Board of Regents.

The other two recommendations (i.e., tuition and Indian Studies program at the University of Iowa) are under study and should be back to the Board with recommendations in December as requested by the Board.

Provost Marlin stated that Regent universities' representatives would be meeting next week with American Indian representatives to discuss the request for an Indian Ambassador. Further clarification is needed. The request for an Indian Studies program at the University of Iowa is under review. Regent representatives are seeking further information regarding the request for free tuition. She said progress is being made. They hope

to make a recommendation on the Indian Ambassador at the November Board of Regents meeting.

ACTION: President Pomerantz stated the Board received the status report, by general consent.

ACCREDITATION REPORT. The Board Office recommended the Board receive the report on full accreditation of the Doctoral Training Program in School Psychology at the University of Iowa.

University of Iowa officials were notified by the American Psychological Association (APA) that its Doctoral Program in School Psychology was awarded full accreditation for three years. APA based its action on a review of the program's self-study report, the report of the campus visit team, and the university's response to the site visit report.

The accrediting association's site visit team noted the following strengths and limitations of the program:

Strengths

- * The institutional setting, the rich set of opportunities for student experiences, and the financial support of students.
- * The commitment of faculty members to the profession and to their students.
- * The positive relationship between faculty members and students.

Limitations

- * The lack of cultural diversity among the students and among the faculty and supervisors.
- * The lack of a structured and sequenced set of practicum experiences.
- * The overemphasis on the practitioner side of the scientist-practitioner model that the program indicates it follows. Currently the students gain their "scientist" orientation primarily from one faculty member.

The report noted that the following issues of criterion compliance should be addressed over the next few years:

- * Involvement in the program of ethnic minority students and faculty or other supervisory role models.

- * Affording students appropriate balance and integration of research and practice training, given the program's training model.
- * Ensuring that the core faculty are sufficient in number and time commitment to the program for their responsibilities.
- * The need for a more clear rationale for the sequencing of practicum training experiences required.

University officials reported that they had addressed or implemented plans to address issues raised within the Site Visit Report.

Vice President Nathan stated that University of Iowa officials were very pleased that the program was accredited fully. He noted that full accreditation almost never happens on the first site visit and this was the first visit.

Regent Williams referred to the accrediting team's concern regarding cultural diversity and asked if staff had begun to address the issue. Vice President Nathan responded that recruitment of minority students is a problem. The fact that job prospects in Iowa are not very strong also has an impact on the lack of minority students. There are very few doctoral-level school psychologists in Iowa. Most students in the program find jobs in other states. The program does have women faculty.

Regent Williams asked if the Ph.D. degree is awarded through the College of Education. Vice President Nathan responded affirmatively.

Regent Hendricks congratulated University of Iowa officials on the full accreditation status. She believes this is one of the more rigorous accreditation processes. It is a "feather in their cap".

Regent Furgerson referred to page 3 paragraph 3. of the docket memo on this subject that stated "the minority faculty member may be experiencing too many external pressures to assist in minority recruitment efforts to be of maximum support to program efforts". She asked if the minority faculty member is working on getting tenure and what are the kinds of pressures.

Vice President Nathan responded that the university's minority faculty carry several additional burdens. Virtually every minority student in the program sees the minority faculty member as a source of mentoring and counseling even though university officials try very hard to protect their minority and women faculty from being overburdened by pressures to provide counseling and mentoring. He acknowledged that it is a problem. Virtually every minority faculty member experiences the burden of mentoring minority students, although it is often self imposed. It is difficult to resist a request of a minority student. Minority faculty feel an obligation to provide these services.

Regent Furgerson asked if minority faculty are given any credit or recognition for taking on this additional responsibility. Vice President Nathan responded that there may be times when extension of a probationary period would be appropriate when faculty have spent time mentoring minority students.

Regent Furgerson referred to the Regent goal of trying to recruit and retain more minority students and suggested that minority faculty members be given credit and recognition for those services they provide.

Vice President Nathan stated that in the past university officials have extended a probationary period because a faculty member spent more time doing something else that was important for the university. However, he said they would not change the expectations for receiving tenure.

Regent Williams asked if in this particular situation the minority faculty member has tenure. Vice President Nathan responded that no, the faculty member does not have tenure but is a very promising person.

ACTION: President Pomerantz stated the Board received the report on full accreditation of the Doctoral Training Program in School Psychology at the University of Iowa, by general consent.

ENROLLMENT REPORT. The Board Office recommended the Board receive the Annual Enrollment Report, Part I.

This enrollment report was the first of two and covered overall enrollments with totals for residents, nonresidents, new freshmen, minorities, etc. The second report, presenting detailed reports of enrollments by collegiate unit, sex, ethnicity, residency, etc., will be presented next month.

Total Fall 1992 headcount enrollment for the Regent universities is as follows:

	<u>Headcount</u>	<u>Change from Fall 1991</u>	
		<u>#</u>	<u>%</u>
University of Iowa	27,463	-418	-1.5%
Iowa State University	25,263	+13	+0.1%
University of Northern Iowa	13,045	-118	-0.9%
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Regent Total	65,771	-523	-0.8%

The total Fall 1992 full-time equivalent enrollment for Regent universities is 57,249, a decrease of 344 (-.7 percent) from Fall 1991. Full-time equivalent enrollment is less than headcount enrollment because full-time

equivalents convert part-time enrollment to an equivalent number of full-time enrollments.

The enrollment decline at the University of Iowa was heavier among graduate students than undergraduates, while Iowa State University's gains among graduates and veterinary medicine students offset a decline in undergraduates, and the University of Northern Iowa's losses were primarily among new freshmen.

Both the number and proportion of nonresidents increased at each Regent university. Nonresidents now account for 33.5 percent of the students at the University of Iowa, 27.5 percent at Iowa State University, and 4.8 percent at the University of Northern Iowa.

The number of freshmen new to the Regent universities has increased by 301 (+10.4 percent) at the University of Iowa, by 129 (+4 percent) at Iowa State University, and has decreased at the University of Northern Iowa by 302 (-14.9 percent).

A total of 4,117 minority students, an increase of 5.7 percent over Fall 1991, were enrolled at the Regent universities in Fall 1992. Minorities now make up 6.21 percent of all Regent enrollments compared to 5.88 percent a year ago.

Each Regent university experienced small enrollment gains in the number and percentage of minority students:

- * University of Iowa has 2,171 minority students representing 7.91 percent of University of Iowa enrollment.
- * Iowa State University has 1,447 minority students representing 5.73 percent of Iowa State University enrollment.
- * University of Northern Iowa has 499 minority students representing 3.83 percent of University of Northern Iowa enrollment.

The percentage of entering freshmen at the Regent universities who were minority students decreased from 7.0 percent in Fall 1991 to 6.92 percent in Fall 1992 though the actual number of entering minority freshman increased slightly from 567 to 579.

The number of entering minority freshmen increased by 40 students at the University of Iowa, decreased by 18 at Iowa State University and decreased by 10 at the University of Northern Iowa.

The percentage of high school graduates going on to postsecondary education in Iowa increased to 68.62 percent in 1990, the highest percentage in history.

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On-campus enrollment on the Iowa School for the Deaf increased from 116 in 1991 to 120 in 1992, and the number of students served through direct outreach services increased from 49 to 77.

On-campus enrollment on the Iowa Braille and Sight Saving School decreased from 65 in 1991 to 57 in 1992, while the number served through outreach services increased from 277 to 293.

Regent Fitzgibbon asked if the reduction in enrollment at the University of Iowa was by design. Vice President Nathan said the gratifying increase in freshman students speaks well of the university's recruiting efforts. The enrollment decrease was largely in graduate students. He felt that some of the graduate enrollment decrease was because of teaching assistant support.

President Pomerantz asked if the forecast for enrollment at the University of Iowa for next fall is expected to be higher. Vice President Nathan said he expected enrollment to be just about level because they are building back from the enrollment decrease of 2 years ago.

President Pomerantz emphasized that the importance of marketing has never been greater. They must do everything they can reasonably do to keep their marketing efforts up.

ACTION: President Pomerantz stated the Board received the Annual Enrollment Report, Part I, by general consent.

STUDENT PERSISTENCE STUDY. The Board Office recommended the Board (1) receive the report on Persistence at the State Universities: A Study of the Fall 1985 Entering Class of Undergraduate Students Who Enrolled at the University of Northern Iowa, Iowa State University, and the University of Iowa; and (2) request that the institutions prepare a report to the Board on their academic advising systems with recommendations on how academic advising procedures and processes might be changed to improve persistence and degree completion rates of students, especially minority students, at the universities. The final report would be due September 1993 with an interim progress report due in April 1993.

This is a report compiled by an interinstitutional committee every five years regarding undergraduate student persistence and degree completion rates. The last report was presented to the Board in 1987.

The report follows the freshman and undergraduate transfers who entered each Regent university in fall 1985 for six years from date of entry.

Of the freshmen who entered the Regent universities in fall 1985 the percentage who had earned degrees at the entering university within six

years was 60 percent for the University of Iowa, 62 percent for Iowa State University, and 54 percent for the University of Northern Iowa.

The percentage of the fall 1985 freshmen who earned their degrees within 4, 5, or 6 years was as follows:

	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>
4-Year Graduates	30%	24%	30%
5-Year Graduates	25%	30%	19%
6-Year Graduates	<u>5%</u>	<u>8%</u>	<u>5%</u>
Total	60%	62%	54%

The Regent universities' five year graduation rates (University of Iowa, 55 percent; Iowa State University, 54 percent; University of Northern Iowa 49 percent) are at about the same level as the national averages for comparable public universities with similar levels of admissions selectivity.

A study tracing national degree completion rates back as far as 1890 found that rates have fluctuated between 37 percent and 53 percent since the turn of century.

The results of a new study by the United States Department of Education found that nationally 49 percent of the students who entered a college in fall 1984 had received a degree from that school six years later.

In a study two years ago the National Institute of Independent Colleges and Universities found a six year degree completion rate of 42.7 percent, with another 4 percent still enrolled, for an overall six year persistence rate of 48.9 percent.

Of the transfers who entered fall 1985 the percentage who earned degrees at the entering university within six years was 60 percent for the University of Iowa, 63 percent for Iowa State University, and 54 percent for the University of Northern Iowa.

Total six year persistence rates for the entering freshman class of fall 1985, including all those who had received degrees from either their entering Regent university or another Regent university, or were still enrolled, were 67 percent for the University of Iowa, 68 percent for Iowa State University, 61 percent for the University of Northern Iowa.

For transfers, total six year persistence figures were 60 percent at the University of Iowa, 66 percent at Iowa State University, and 61 percent at the University of Northern Iowa.

Persistence rates for black and Hispanic students are considerably lower than for rates for other students, and are cause for concern. Six year persistence rates for black students who entered in fall 1985 were 46

percent at the University of Iowa, 30 percent at Iowa State University, and 14 percent at the University of Northern Iowa.

Six year persistence rates for Hispanic students who entered in fall 1985 were 52 percent at the University of Iowa, 41 percent at Iowa State University. There were insufficient numbers of Hispanic students at the University of Northern Iowa to draw reliable conclusions. There were insufficient numbers of American Indian students at all three universities to draw reliable conclusions.

Only at the University of Northern Iowa did the majority of those who graduated do so within 4 years. The majority of those who graduated from University of Iowa and Iowa State University did so within either their fifth or sixth years.

For students who entered Iowa Regent universities as freshmen, high school rank and ACT composite standard score have a direct, positive relationship with the likelihood that the student will earn a bachelors degree. For students who entered as transfers, grade-point average has a direct, positive relationship with completion of the bachelors degree.

A study of the Fall 1980 entering freshmen found that first term grade-point average has a direct, positive relationship with the likelihood of persistence to graduation.

The percentage of fall 1985 transfer students from Iowa public 2-year institutions who earned Regent degrees was 60 percent at the University of Northern Iowa, 61 percent at Iowa State University, and 54 percent at the University of Iowa.

The most common objectives for entering the Regent universities were to earn a bachelors degree, increase general knowledge, and prepare for a new career or career change. Graduates were much more likely than non-persisters to indicate that they had accomplished their objectives.

The libraries were the university service that generated the most satisfied responses from students. Academic advising services consistently generated the highest levels of dissatisfied responses among both graduates and non-persisters. Overall satisfaction with the universities was much higher for graduates than for non-persisters.

Transferring to another institution, indecision over vocational choice, and academic performance were the reasons given most frequently by non-persisters for leaving the Regent universities.

Philip Patton, Registrar, University of Northern Iowa, provided highlights of the report on behalf of the committee that prepared the report.

Regent Williams stated that the student persistence report is always extremely enlightening. She was disturbed that they only get the report every 5 years. The whole idea of persistence is an on-going process. Since she came on the Board of Regents, institutional officials have made some major changes in processes that would help students increase persistence. She said they should receive the reports at least every 2 years if not every year. It would be nice to see if the policies the Regents institute each year are having any affect.

Registrar Patton discussed the history of the persistence report. The reporting started 30 years ago, was provided every 5 years to the Regents, and has simply continued on the 5-year schedule. He said institutional officials can provide the information for the Regents annually. The basic tables that show percentage or performance can be run at any time. He asked that they delay the questionnaire survey to every 3 to 5 years.

President Pomerantz suggested the Board Office take up this matter with university officials and make sure the information is provided as requested.

Regent Dorr asked about the reason for the increased level of persistence. Mr. Patton said he hoped it showed the results of working with students in preparing for college. He hopes the persistence rates will continue in an upward direction. Better prepared students equates to higher persistence rates.

Regent Dorr said he suspected that one of the primary reasons for persistence is economics. He questioned whether there might be more of an evolutionary kind of occurrence happening. Outside of the institutional assumptions, are there external assumptions that further enhance levels of persistence?

President Rawlings said Regent Dorr was correct to say that many factors are involved. It is hard to say which factors have how much weight. The increased preparation of high school students is paying off greatly and has had a major impact on persistence. Students do not come in and take first year language courses, for example. There is a big difference in the courses they take which has an affect on their ability to graduate in 4 years. He said the Regents should feel good about the affect of their entrance requirements.

President Pomerantz said they need to have better explanations around the persistence numbers of minority students. Also, the statistics they were presented with for this meeting go back to 1985. Some of the entrance standards have improved since 1985. It is not a very satisfactory report in the area of minorities and it has to be dealt with.

Regent Tyrrell asked if universities' officials are prepared to make a statement to every freshman that they are committed to doing everything they can to make sure the student completes his/her education. Are they in a position to make that statement? Are they committed to do everything within reason to make sure students graduate from their institutions? It involves the attitude of faculty. The students should be told that they do not have to leave the institution unless there are compelling personal reasons.

President Jischke said Iowa State University officials are prepared to make that statement. They try to make that statement by improving situations that enhance student success including better advising in a student's freshman year. They increase contact of faculty and students once students decide on a major. The success of students depends, in part, on the students. Students bear a major part of the responsibility for their success.

Regent Tyrrell referred to the bottom paragraph on page 9 of the docket memorandum concerning this subject. The first sentence of the paragraph indicated that research has also shown that, though many non-persisters may not technically be failing, their subjective impressions of their performance, versus their expectations, can be an important influence on their decision to leave. He suggested that perhaps university officials were not helping students understand there may not be a reason for them to leave.

Director Barak said that comment came from a national report and may or may not be applicable to Iowa's Regent universities.

Regent Williams referred to the persistence of Iowa's in-state students versus out-of-state students. She said it would be interesting to know if the new entrance requirements are having an impact on the performance of Iowa students. That would be important information to share with the K-12 sector.

Registrar Patton responded that it can be done. The persistence information can be "run" in that kind of way. University of Northern Iowa persistence rates have increased and 90 percent of its students are Iowa residents.

Regent Furgerson noted that some students feel that all they need to take is a 12 hour courseload. Is there any information on the number of hours students take which, she said, has a direct impact on the time it takes to graduate?

Registrar Patton responded that 13.9 hours is the average student load. He noted that there are a lot of dynamics going on that have an affect on student persistence.

Regent Williams asked if the motion included the submission of more frequent reports to the Board. President Pomerantz said he would ask the Board Office to ensure that reports are provided more frequently, as discussed.

Regent Williams said the Board should receive an update every 1 to 2 years.

Mr. Richey said the Board would continue to receive the report it received at this meeting. The institutions would also come in with an annual persistence report since they already prepare one for other reporting purposes. At this time, the Regents do not know what impact the changes in student preparation requirements at the high school level are having. The more current information would be helpful and not very costly. The institutions are developing persistence reports annually now although they are not as extensive as the report presented at this meeting. The Regents will get a truncated annual report.

MOTION:

Regent Williams moved to (1) receive the report on Persistence at the State Universities; and (2) request that the institutions prepare a report to the Board on their academic advising systems with recommendations on how academic advising procedures and processes might be changed to improve persistence and degree completion rates of students, especially minority students, at the universities. The final report would be due September 1993 with an interim progress report due in April 1993. Regent Furgerson seconded the motion, and it carried unanimously.

REPORT ON MEETING OF THE IOWA COORDINATING COUNCIL. The Board Office recommended the Board receive the report on the October meeting of the Iowa Coordinating Council for Post-High School Education.

Below is a summary of the items covered at the October meeting of the Iowa Coordinating Council for Post-High School Education.

Articulation. The Coordinating Council heard a status report on the articulation activities from Tom Westbrook, Chair of the Subcommittee on Articulation. The subcommittee considered and approved proposed changes in institutional academic policy at Luther College (minimum requirements for a major and changes in language requirements), the Regent institutions (accepting American Sign Language as meeting foreign language requirements for admission and graduation), and Iowa State University (changes in the standards for admission into the undergraduate teacher education program). The subcommittee also continued its discussion of the issues surrounding the Postsecondary Enrollment Options Act and reviewed related policy statements

submitted by the sectors. The committee announced that another in a series of state conferences on articulation sponsored by the Articulation Subcommittee and the Regent institutions is scheduled for April 14 at Drake University to explore solutions to articulation problems.

Legislative Programs of Sectors. The Coordinating Council heard brief reports from each of the sectors regarding the legislative programs for the upcoming session of the Iowa General Assembly.

Approval of New Programs. The Coordinating Council received a report on the following programs that had been approved over the summer (no concerns had been raised):

Iowa State University	Bachelor of Science degree in Management Information Systems
Central College	Bachelor of Science degree in Environmental Studies
Eastern IA Comm. College Dist.	Associate of Applied Science degree in Air Cond/Heating/Refrig. Technology
Indian Hills Comm. Coll. Dist.	Associate of Applied Science degree in Radiograph Medical Technology
North Iowa Area Comm. College	Associate of Science degree in Financial Management/Insurance
Iowa Central Community College	Associate of Science Degree in Mass Communications Associate of Applied Science degree in Medical Lab. Technology
Iowa Western Community College	Associate of Applied Science degree in Legal Assistant/Paralegal Associate of Applied Science degree in Multi-Occupations Preparatory
Iowa Valley Comm. Coll. Dist.	Associate of Applied Science degree in Industrial Maintenance Technology
Kirkwood Community College	Associate of Science degree in Fire Control and Safety Technology
Western Iowa Tech Comm. College	Diploma in Equipment Rental
American Institute of Commerce	Associate of Business degree in Legal Assistant/Paralegal

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The following programs were presented for approval at the October meeting.

Iowa State University	Proposal to Establish an Undergraduate Major in Early Childhood Education Proposal to Establish an Interdepartmental Undergraduate Major in Plant Health and Protection in the College of Agriculture
Drake University	Masters degree in Effective Teaching Masters degree in Educational Leadership Master of Science in Education Degree (MSE) in Effective Teaching-Instructional Television Fixed Service

Following the consideration of new programs, the Coordinating Council had a discussion regarding a program proposal that had been withdrawn for a Dental Hygiene program at Kirkwood Community College. Concerns were raised regarding the reporting procedure and materials provided by the community colleges in submitting new program requests.

The next meeting of the Coordinating Council will take place on December 2 at Iowa Central Community College in Fort Dodge.

Regent Williams stated that Regents Furgerson and Tyrrell were in attendance at the meeting as well as herself. She said the report of the Board Office accurately summarized the meeting.

Regent Tyrrell stated that essentially the Regents were put on notice that there will be more competition among the various education groups for state funding since the K-12 system lost its automatic escalation in funding. The sectors are still experiencing some problems with articulation. One item of concern for Regent Tyrrell was the Hawkeye Tech program that duplicates the CIRAS program which is already undermanned.

Regent Furgerson stated that one thing that came up during the meeting was how programs are reported to the Council. The Regent universities and private colleges provide a lot of background documentation.

Regent Williams said she was not aware until recently that the community colleges operate on a different basis than the universities concerning program approval. The Regent universities, independent colleges and specialized schools plan proposed programs in great detail but the community colleges only give an intent to start a program. The Council then does not know if the program ever develops past the "intent" stage. She said it is very frustrating.

President Pomerantz stated that hopefully the Higher Education Strategic Planning Council could have a say in the program approval process.

Regent Fitzgibbon asked for further information regarding the program proposal that was withdrawn for a Dental Hygiene program at Kirkwood Community College. Regent Williams responded that apparently Kirkwood officials decided they were not ready to submit an intent to start a program because they had not completed their research.

Regent Dorr referred to the statement in the docket memorandum that community college representatives indicated that legislative issues included increasing the instructional equipment tax levy to provide funding for the Iowa Communications Network and seeking authority to have community college board approval rather than a public referendum for the levy. He asked to go on record as opposing that and said he would abstain from voting on this docket item.

Regent Williams clarified that at the meeting each of the sectors provided the other sectors with their proposed legislative agendas. That is all the further it has gone.

Regent Tyrrell noted that the openness of the discussion of each sector's legislative process was very informative.

ACTION: President Pomerantz stated the Board received the report on the October meeting of the Iowa Coordinating Council for Post-High School Education, by general consent.

ANNUAL STUDENT AID REPORT. The Board Office recommended the Board:

- (1) Receive the Annual Governance Report on Student Financial Aid;
- (2) Request that the Student Aid Directors undertake the following goals for 1992-93:
 - (A) Assist Iowa's secondary schools, families, and college-bound students to understand the implications of the reauthorization of the Higher Education Act (HEA).
 - (B) Develop cooperatively a common Regent financial aid application to be completed by families and circulated to the three universities.
 - (C) Work closely with administrations, colleges, departments and student service offices to develop strategies to:
 - 1) meet the needs of increased numbers of students who will be eligible for awards under reauthorization;

- 2) work with students who may have lost previous eligibility for aid because of reauthorization; and
- 3) continue to provide awards that recognize talent and promote diversity on Regent campuses.

Students at Iowa Regent universities received \$266.6 million in financial aid during 1991-92 exceeding by 8 percent the amount received in 1990-91. Regent-wide, the percentages of money provided by the three sources of financial aid were: Federal - 50 percent; Institutional - 48 percent; and State - 2 percent.

In 1991-92, 46,577 Regent students received aid, a 2 percent increase over the 45,843 who received aid in 1990-91. Of the 46,577 students receiving awards:

- * 60 percent obtained loans, 54 percent obtained aid through work programs, and 59 percent received grants (many students received more than one type of aid)
- * 35,660 were residents and 29,482 (83 percent) were undergraduate residents
- * 3,546 were minority students and 2,106 (59 percent) were residents.
- * 3,309 foreign students received financial aid.

The federal Guaranteed Student Loan (GSL) Program was the largest single source of aid across the country and in Iowa. Nationally, GSL provided \$13.7 billion, or 45 percent of available aid; at Regent universities, it provided 32 percent of available aid.

Campus employment awards are of two types--1) Institutional Employment (graduate, teaching, research assistant awards) and 2) Other Student Employment (positions in clerical, food service, groundskeeping, etc.)

Employment of graduate, teaching, and research assistants provided \$54.3 million in 5,763 awards, which ranged from \$5,083 at the University of Northern Iowa to \$11,476 at Iowa State University.

Other Student Employment provided \$32.8 million to 18,226 students. Mean awards ranged from \$1,267 at the University of Northern Iowa to \$2,105 at the University of Iowa.

Pell Grant, the largest grant program, supplied \$22.6 million in 14,457 awards.

The value and number of awards has remained fairly constant over the past 4 years; e.g., in 1988-89, \$21.3 million was awarded in 14,148 awards. Pell Grants have not increased to meet annual college costs.

The Iowa Minority Academic Grants for Economic Success (IMAGES) program provided \$1,243,458 in 1991-92 compared with \$966,080 in 1990-91. IMAGES, a plan to help minority students meet the cost of attending a four-year Iowa college/university, provided awards to 541 students with awards ranging from \$1,871 at University of Iowa to \$3,071 at Iowa State University. Seventh through twelfth grade minority students earn certificates that can be used to help pay for college expenses.

Approximately \$19 million was allocated by Regent universities for institutional set-aside programs to support scholarships, teaching and research assistantships, as well as programs to recruit top scholars and reinforce the commitment to minority student recruitment.

Federal veterans programs provided approximately \$2.3 million to 1,005 students.

On July 23, 1992, President Bush signed the 600-page reauthorization of the Higher Education Act. The legislation will modify the administration of student aid significantly. Some of the changes include:

- * Home/farm equity will not be considered when calculating eligibility for aid--more students will be eligible for assistance.
- * All students will be eligible for the Stafford Loan Program but the government will pay the in-college interest only if the college application shows financial need.
- * A more restrictive definition will change from independent to dependent the classification for financial aid purposes of many students. Parental income will now be a factor in their aid awards.

It is important for Regent financial aid directors to provide leadership in disseminating information to students, families, and schools about the new legislation.

Regent Financial Aid Directors recommended the following goals for 1993-94:

- * Assist Iowans to understand the implications of the reauthorization of the Higher Education Act (HEA).
- * Cooperatively develop a common Regent financial aid application to be completed by families and circulated to the three universities.

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- * Work closely with administrations, colleges, departments and student service offices to develop strategies to:
- * Meet the needs of increased numbers of students who will be eligible for awards under reauthorization;
- * Work with students who may have lost previous eligibility for aid because of reauthorization; and
- * Continue to provide awards that recognize talent and promote diversity on Regent campuses.

Director Barak stated that the docket exhibits included a list of student employment opportunities at the institutions. He noted that the recent court decision could mean the possibility of laying off of student employees. He then introduced Earl Dowling, Director of Student Financial Aid, Iowa State University, to talk about the impact of the changes in the Higher Education Act on student financial aid, which he did.

Regent Hendricks asked if more moneys were appropriated in the Higher Education Act. Mr. Dowling responded that there was a slight increase in the funding of campus-based programs. The concern is that not enough money was appropriated to meet the demand.

Regent Hendricks asked if it would be accurate to say that more students may have access to financial aid but they would also receive less funding. Mr. Dowling said that was accurate.

Regent Williams asked if it was possible that students with existing loans and grants will have those decreased because of the new law. Mr. Dowling responded that it was possible.

Regent Williams said the new law seemed to indicate that someone whose family has few resources could "knock off" someone who has even less resources. Will they end up with a war between students for financial aid?

Mr. Dowling said this was a brand new law affecting student financial aid. The procedures have not been released. Financial aid officers are without guidance from the U.S. Department of Education. He noted that financial aid directors have now been given discretion in the administration of the funds. In the past their hands were "tied". They can now adjust the formula to make sure the new authorization does not put students into a combative situation.

Regent Hendricks asked for the status of the development of a common Regent financial aid form. Mr. Dowling responded that last year students had 7 possible application forms. This year there will be a single application and this year it will be free. The procedure has been simplified with the

single application. One of the ideas the Regent aid directors had been discussing was one application that would satisfy the information needs on all three campuses.

Regent Berenstein asked about the student who had rich parents who would not give the student any money to go to school. Mr. Dowling responded that under the reauthorization there were only certain ways that financial aid officers would be allowed to ignore parents' income. Family has the primary responsibility for a student's school expenses. Unless a student is 24 years old they will be going back to the family's financial information. In cases where a family will not help a student, financial aid officers can use their discretion. He noted that one of the unfortunate parts of the reauthorization is the elimination of consideration of medical and dental expenses.

Regent Dorr asked if the new financial aid forms are going to be easy enough to complete. Mr. Dowling responded that one of the goals of Congress was to simplify the process.

MOTION: Regent Hendricks moved to adopt the recommended action. Regent Dorr seconded the motion, and it carried unanimously.

REPORT ON COLLEGE-BOUND PROGRAM. The Board Office recommended that the Board (1) request the Regent universities and the ad hoc College-Bound Committee to review the College-Bound and Iowa Minority Academic Grants for Economic Success (IMAGES) programs and report to the Board in February 1993; and (2) receive the report on College-Bound and IMAGES programs for recruiting minority students to Regent universities.

There are three components to the college-bound and IMAGES program. Minority students are encouraged to:

1. remain in school;
2. attend colleges and universities in Iowa; and
3. be assured that a limited family income will not be a barrier for them to pursue a postsecondary education.

The budget allocated to the college-bound and IMAGES program in fiscal year 1993 totaled \$1,851,060.

	<u>IMAGES Program</u>	<u>Program and Overhead Costs</u>
University of Iowa	\$ 614,400	\$ 106,430
Iowa State University	614,400	106,430
University of Northern Iowa	<u>332,200</u>	<u>77,200</u>
Total	\$1,561,000	\$ 290,060

IMAGES grants to minority students are based on financial need.

University of Iowa

The university assisted 277 minority students with IMAGES grants in fiscal year 1993, a decrease of 3 from fiscal year 1992.

The average IMAGES grant in fiscal year 1993 was \$2,206, an increase of \$214 from fiscal year 1992:

<u>1992</u>	<u>1993</u>	<u>Difference</u>
\$1,992	\$2,206+	\$214

College-bound programs reached in excess of 600 minority students. Participation vouchers were awarded to 422 students. The majority of programs were campus based.

Iowa State University

The university assisted 288 minority students with IMAGES grants in fiscal year 1993, an increase of 137 students from the previous fiscal year.

The average IMAGES grant in fiscal year 1993 was \$2,217, a decrease of \$1,064 from fiscal year 1992:

<u>1992</u>	<u>1993</u>	<u>Difference</u>
\$3,281	\$2,217	- \$1,064

College-bound programs reached 1,095 minority students. Participation vouchers were awarded to 771 minority students. Iowa State University provided programs to minority students in 9 of the 12 Iowa school districts designated as desegregated districts by the Iowa Department of Education.

University of Northern Iowa

The university assisted 101 minority students with IMAGES grants in fiscal year 1993, an increase of 19 from fiscal year 1992.

The average IMAGES grant in fiscal year 1993 was \$2,722, a decrease of \$39 from fiscal year 1992.

<u>1992</u>	<u>1993</u>	<u>Difference</u>
\$2,761	\$2,722	- \$39

College-bound programs reached 1,246 minority students. Participation certificates were awarded to 792 students.

Under the IMAGES program 666 minority students received financial assistance, an overall increase of 153 students from the previous year.

	SUI		ISU		UNI		TOTAL	
	1992	1993	1992	1993	1992	1993	1992	1993
Blacks	79	73	36	81	45	55	160	209
Hispanics	49	61	27	51	13	20	89	132
Asians	144	134	83	143	20	19	247	296
American Indians	8	9	5	13	4	7	17	29
Total	280	277	151	288	82	101	513	666

	SUI		ISU		UNI		TOTAL	
	1992	1993	1992	1993	1992	1993	1992	1993
Freshmen	92	81	64	105	62	68	228	254
Sophomores	55	72	45	70	20	30	120	192
Juniors	71	66	33	57	0	3	104	126
Seniors	62	58	9	56	0	0	71	114
Total	280	277	151	288	82	101	513	666

	SUI		ISU		UNI		TOTAL	
	1992	1993	1992	1993	1992	1993	1992	1993
Resident	280	277	138	238	82	101	500	616
Non-Resident	0	0	13	50	0	0	13	50
Total	280	277	151	288	82	101	513	666

Regent universities have developed and sponsored college-bound programs. Participation certificates were awarded to 1,985 students for participating in these programs. This number represents an increase of 345 students over the prior year.

Regent Furgerson stated that the Priority Study Committee on Affirmative Action spent some time that morning on this issue. Some concern was expressed, particularly with the number of Iowa residents who are African American, Hispanic and American Indian. She said one good marketing tool that came out was an Ebony article featuring Greg Williams from the University of Iowa. Another organization has also contacted him for an interview. These opportunities provided some national coverage for the university. One of the reasons she said she mentioned those things was that institutional officials need to look at non-traditional ways of informing minority students that there is opportunity for them at the Regent institutions. This is a long-range program. First generation college students need to understand how to get into the system and stay there.

Regent Furgerson said the committee talked about some of the unusual problems that people of color encounter in attending predominately white institutions. The University of Iowa's minority student population is now 7.9 percent of the student body. All the institutions have increased their

minority student population but will work harder at getting underrepresented minorities. At the December meeting of the Priority Study Committee, the committee members will talk about strategies in recruiting and retaining minorities. They will be able to tell the legislature how they are using the Images money.

Regent Dorr asked how the universities notify the high schools that these funds are available and for what students. Regent Furgerson responded that university officials are trying to work with families and not just through the schools. They work through church groups and community groups as well as the traditional approach with high school counselors, teachers and brochures.

Regent Furgerson said students may participate in programs and earn points. There are summer programs where high school students are brought on campus.

Regent Dorr said there appeared to be some failing in letting people know they qualify. He knew of American Indians who did not know they would qualify.

Regent Furgerson said students, especially first generation college students, need to find out the "gatekeeping" courses they need to take for college entry and to pay attention to their grades.

Regent Williams referred to the report on page 2 of the docket memorandum concerning the effect of the College-Bound programs at each of the universities. They should not underestimate the effects of those College-Bound programs. The Minorities in Teaching program at the University of Northern Iowa has greatly increased the visibility of University of Northern Iowa in the Davenport School District. Five hundred minority students from Davenport visited the University of Northern Iowa. What each of the three Regent universities is doing is getting their logo in front of the students. Students are told that they are welcomed and encouraged to attend. This message especially needs to be sent to 7th, 8th and 9th graders.

Regent Furgerson stated that the University of Iowa is a partner with Lincoln Elementary School in Waterloo and University of Northern Iowa with Black Hawk schools. She went to the University of Iowa with a group of elementary school students to attend a play on the campus. For many, this was their first contact with a university. Unfortunately, there are students graduating who have not taken college preparatory courses.

Regent Hendricks referred to the appendix to the docket memorandum and cautioned that they should not downplay the way the efforts have increased the outreach to students. These efforts included a South Tama visitation day and a Sioux City career college leadership conference. They are making strides. It was clear that institutional officials are listening to the Regents.

Regent Furgerson stated that the Affirmative Action Priority Study Committee had asked that the institutions come back in December with strategies and recommendations for putting these things into action.

MOTION: Regent Furgerson moved to (1) request the Regent universities and the ad hoc College-Bound Committee to review the College-Bound and Iowa Minority Academic Grants for Economic Success (IMAGES) programs and report to the Board in February 1993 as well as a report on strategies in December 1992; and (2) receive the report on College-Bound and IMAGES programs for recruiting minority students to Regent universities. Regent Tyrrell seconded the motion, and it carried unanimously.

PROPOSED RATES FOR TUITION AND MANDATORY FEES EFFECTIVE SUMMER OF 1993. The Board Office recommended:

- (1) That the Board approve increases in basic resident undergraduate tuition at the Regent universities by \$52 per semester, or 4.98 percent, effective summer 1993, as shown in the table below.
- (2) That the Board approve increases in all basic nonresident tuition rates at the University of Iowa by percentages ranging from 7.48 percent to 7.57 percent, and approve an increase in undergraduate nonresident tuition at the University of Northern Iowa of 7.44 percent, effective summer 1993, as shown in the table below.
- (3) That the Board approve increases in basic tuition at Regent universities in all other categories, effective summer 1993, as shown in the table below.
- (4) That the proceeds of the tuition increase be earmarked for improvement of undergraduate education.
- (5) That general institutional financial aid to students be increased at the same rate as the proposed increase in tuition and mandatory fees to offset the impact on students now receiving institutional financial aid.
- (6) That student fees for computers remain at their current levels.
- (7) That the Board complete the plan adopted by the Board in 1989 to phase in student health fees over four years, commencing in fiscal year 1991, in order to put student health services on a financially self-sufficient

basis, by approving increases in the student health fee by \$10 per semester to a total of \$40 per semester, effective summer session 1993.

PROPOSED REGENT UNIVERSITIES ACADEMIC YEAR TUITION FOR 1993-94

	<u>1992-93</u> <u>Tuition</u>	<u>1993-94</u> <u>Tuition</u>	<u>%</u> <u>Incr.</u>	<u>\$</u> <u>Incr.</u>
UNIVERSITY OF IOWA				
Undergraduate Resident	\$2,088	\$2,192	4.98%	\$104
Undergraduate Nonresident	\$7,052	\$7,580	7.49%	\$528
Graduate Resident	\$2,478	\$2,604	5.07%	\$126
Graduate Nonresident	\$7,350	\$7,900	7.48%	\$550
MBA Resident	\$3,228	\$3,396	5.20%	\$168
MBA Nonresident	\$8,100	\$8,708	7.50%	\$608
Law Resident	\$3,444	\$3,624	5.23%	\$180
Law Nonresident	\$9,476	\$10,190	7.53%	\$714
Medicine Resident	\$7,344	\$7,740	5.39%	\$396
Medicine Nonresident	\$18,150	\$19,524	7.57%	\$1,374
Dentistry Resident	\$4,746	\$4,998	5.31%	\$252
Dentistry Nonresident	\$13,596	\$14,624	7.56%	\$1,028
Pharmacy Resident	\$2,694	\$2,832	5.11%	\$138
Pharmacy Nonresident	\$8,726	\$9,382	7.51%	\$656
IOWA STATE UNIVERSITY				
Undergraduate Resident	\$2,088	\$2,192	4.98%	\$104
Undergraduate Nonresident	\$6,856	\$7,226	5.40%	\$370
Graduate Resident	\$2,478	\$2,604	5.07%	\$126
Graduate Nonresident	\$7,148	\$7,534	5.39%	\$386
Vet. Medicine Resident	\$4,748	\$5,000	5.31%	\$252
Vet. Medicine Nonresident	\$12,704	\$13,400	5.48%	\$696
UNIVERSITY OF NORTHERN IOWA				
Undergraduate Resident	\$2,088	\$2,192	4.98%	\$104
Undergraduate Nonresident	\$5,430	\$5,834	7.44%	\$404
Graduate Resident	\$2,346	\$2,464	5.05%	\$118
Graduate Nonresident	\$5,986	\$6,308	5.38%	\$322

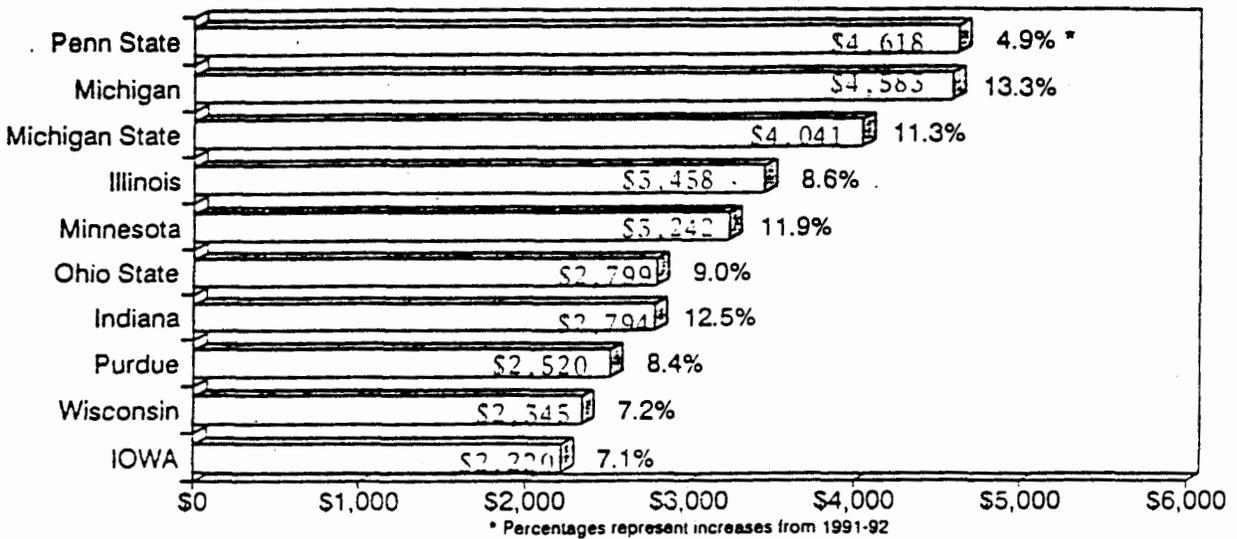
RESIDENT UNDERGRADUATE TUITION

The recommended increase in basic resident undergraduate tuition is \$52 per semester, or 4.98 percent. A tuition increase of at least the level recommended is essential to the maintenance and improvement of undergraduate education at the Regent universities.

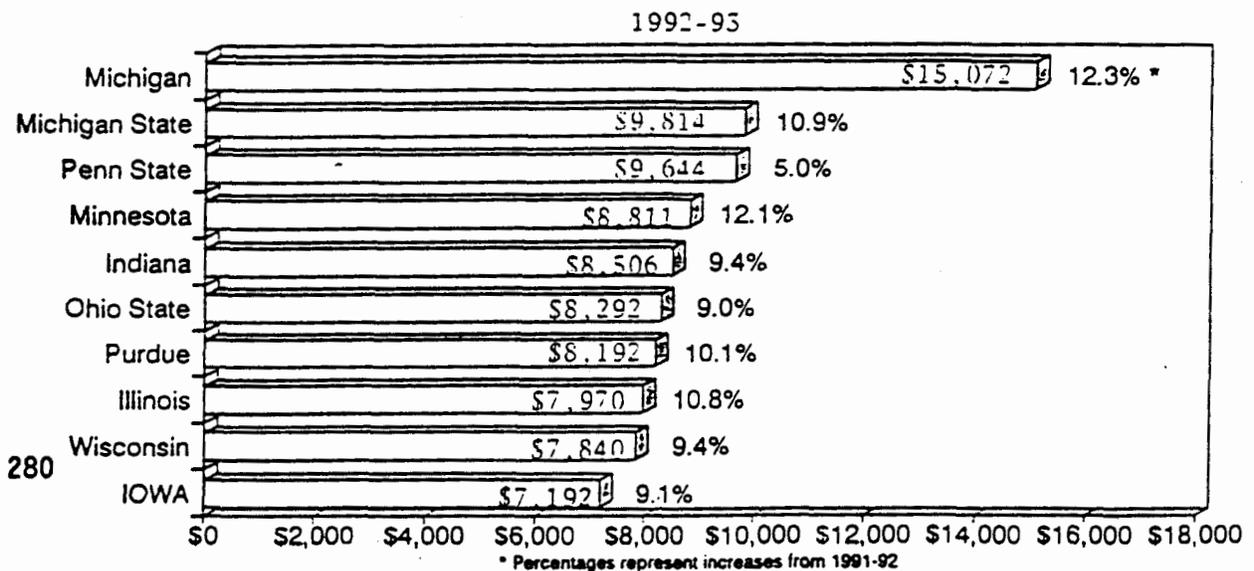
The University of Iowa's 1992-93 resident undergraduate tuition and mandatory fees are 34 percent below the average for public Big 10 universities, and were the lowest in the Big 10 for the 9th straight year.

Iowa State University's 1992-93 resident undergraduate tuition and mandatory fees dropped further below the average of its group of comparable land grant institutions for the fourth year in a row, and now stands at 13.2 percent below the group average.

**BIG TEN PUBLIC INSTITUTIONS
UNDERGRADUATE RESIDENT TUITION & FEES
1992-93**

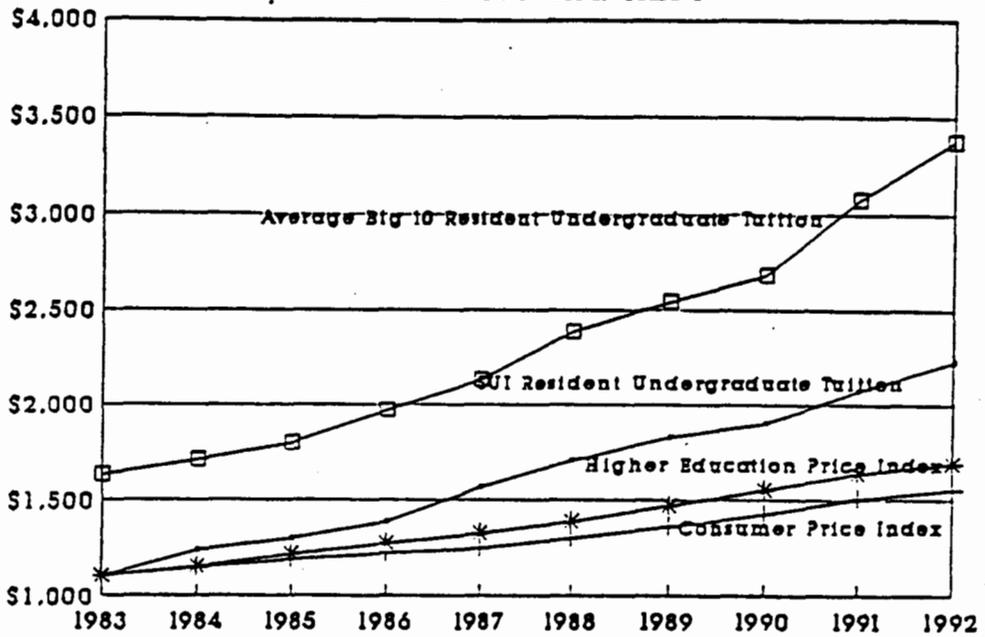


**BIG TEN PUBLIC INSTITUTIONS
UNDERGRADUATE NON RESIDENT TUITION & FEES
1992-93**



GENERAL
October 21, 1992

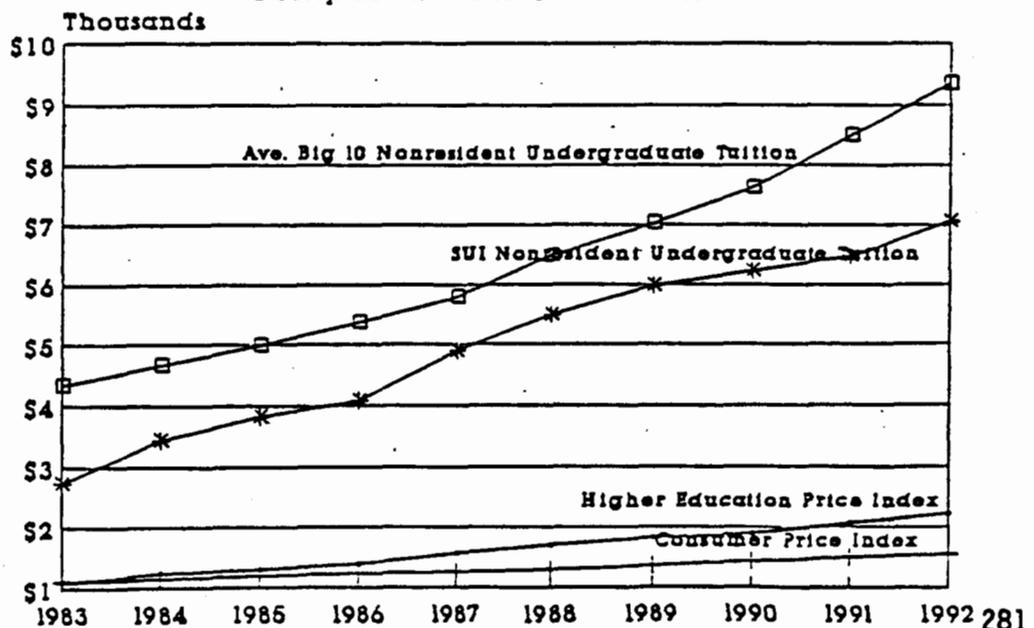
SUI Resident UG Tuition & Ave. Public Big 10 Resident UG Tuition Compared with CPI and HEPI



BAVI/Tuition/CPI

Source: Regent Fall Tuition Reports

SUI Nonresident UG Tuition & Ave. Public Big 10 Nonres. UG Tuition Compared with CPI and HEPI



BAVI/NRTuition/CPI

Source: Regent Fall Tuition Reports

The University of Northern Iowa's 1992-93 resident undergraduate tuition and mandatory fees were virtually at the average of its comparison group of 11 comparable institutions.

Regent 1991-92 resident undergraduate tuition and mandatory fees were 3 percent below the national average and are expected to be slightly further below average for 1992-93.

The increase is modest compared to the average increase of \$782, or 8.7 percent a year at the private institutions in Iowa that occurred in 1992-93.

In the last 5 years, the tuitions of the institutions in the Regent universities' primary comparison groups have risen 34-42 percent, while Regent tuitions have increased approximately 31 percent.

INFLATION AND INCOME

The projected increases in the Consumer Price Index in 1992, 1993, and 1994 are 3.1 percent, 3.3 percent, and 3.9 percent respectively, according to Blue Chip Economic Indicators.

The increase in the Higher Education Price Index in fiscal year 1992 was 3.2 percent. No projections of the Higher Education Price Index are published, but its authors suggest using the compounded annual rates of change over the past two, three, or four years as an indicator of possible future trends. The compound annual rates of change for two, three, and four years are 4.3 percent, 4.8 percent, and 5.0 percent respectively.

It is anticipated that the annual increase in the Higher Education Price Index will return somewhat to its historic pattern with increases of approximately 5 percent each in fiscal years 1993 and 1994.

In the past 30 years the increase in the Higher Education Price Index has almost always been higher than the increase in the Consumer Price Index except in the high inflation years of the late-1970s and early-1980s.

In periods of moderate to low inflation, such as are forecast for 1993 and 1994, the increase in the Higher Education Price Index has typically been one to two percentage points higher than the increase in the Consumer Price Index.

The unusually low fiscal year 1992 increase in the Higher Education Price Index is an anomaly attributable to the financial problems experienced in many states that resulted in widespread cutbacks in funding for higher education, and is not a pattern that is expected to continue.

The Board Office projects that per capita personal income in Iowa in 1992, 1993, and 1994 will increase 5.1 percent, 5.2 percent, and 5.7 percent

respectively, based on income and population data published by the University of Iowa Institute for Economic Research.

When tuition is measured as a percentage of Iowa's per capita disposable personal income, Regent 1990-91 tuition rates (the last year available) were at their lowest level since 1983-84. Regent tuitions have been above the national average when measured as a percentage of per capita disposable personal income since 1977-78, the earliest year for which these figures have been published.

Establishing tuition in relationship to per capita disposable income is inappropriate and unworkable because it implies that charges and prices for products and services in Iowa should be set according to the state's income levels and ignores other important financial and economic factors.

NONRESIDENT TUITION

The \$202 per semester (7.44 percent) increase in nonresident undergraduate tuition at the University of Northern Iowa will bring nonresident undergraduate tuition up to the anticipated level of the university's 1993-94 undergraduate unit cost of instruction, which addresses a concern of the university.

Increases in nonresident tuition categories at the University of Iowa average approximately 7.5 percent and will bring in much needed additional revenue for undergraduate education and will help fund upkeep of facilities.

The increases in nonresident tuition categories at Iowa State University have been held to an average of approximately 5.4 percent because of concern that larger increases would lead to a drop in nonresident enrollment at Iowa State University and a decrease in net revenues.

The increases in nonresident tuition at the University of Iowa were proposed by the university and were not expected adversely to affect nonresident enrollments.

PROCEEDS OF THE TUITION INCREASES

Gross proceeds of \$10.187 million from the increase in tuition rates are expected, which would be allocated as follows:

	<u>Total</u>	<u>Undergraduate Education</u>	<u>Student Aid Set Aside</u>
SUI	\$5,167,000	\$4,344,000	\$823,000
ISU	\$3,735,000	\$3,324,000	\$411,000
UNI	<u>\$1,285,000</u>	<u>\$1,058,000</u>	<u>\$227,000</u>
TOTAL	\$10,187,000	\$8,726,000	\$1,461,000

First priority use for the additional proceeds is increased student aid. The net proceeds from the tuition increase would be reserved and earmarked for the improvement of undergraduate education.

The proposed increase in student financial aid will offset the negative impact of the higher tuition and mandatory fees on students now receiving institutional financial aid.

TUITION POLICY

Board policy adopted in 1990 provides that resident undergraduate tuition will not increase at a rate higher than the change in the Higher Education Price Index except when funding is insufficient to maintain the quality and effectiveness of university programs and services.

While the budget reforms adopted by the Governor and General Assembly in June 1992 are very important for the long term stability of Regent institutions, funds available for the next three years will be quite limited. In order to assure that the quality of education is maintained and improved, tuition increases above the increase in the Higher Education Price Index may be necessary.

STUDENT SHARE OF EDUCATIONAL COSTS

1992-93 resident undergraduate tuition is estimated to equal 34.6 percent of the estimated 1992-93 undergraduate unit cost of instruction (as defined by the institutions) at the University of Iowa, 30.1 percent at Iowa State University, and 37.6 percent at the University of Northern Iowa.

1992-93 nonresident undergraduate tuition is estimated to equal 117 percent of the 1992-93 undergraduate unit costs of instruction (as defined by the institutions) at the University of Iowa, 98.7 percent at Iowa State University, and 97.9 percent at the University of Northern Iowa.

The calculated unit costs of instruction do not include the cost of student financial aid, building repairs, and facilities that are part of the cost of providing an education to students.

The percentage of general university budgets paid from general tuition revenue has been 29 percent - 30 percent in recent years.

MANDATORY FEES

Regent universities levy two mandatory fees that are charged to all students -- for computers and student health services. No increase in computer fees was proposed.

The current Regent student computer fees are: (1) University of Iowa, \$100 per semester for engineering students, \$40 per semester for all other students; (2) Iowa State University, \$100 per semester for College of Engineering and computer science students, \$40 per semester for all other students; and (3) University of Northern Iowa, \$40 per semester for all students.

The universities cited many benefits accruing from the computer fee income, including:

- * At the University of Iowa: replacement of 228 obsolete workstations and printers, expansion of online library and information services for students, and creation of the new "Information Arcade" in the University Library.
- * At Iowa State University: replacement, upgrading, and additions to computer facilities throughout the campus, growth in electronic library facilities including CD-ROM and multimedia technologies, and growth in the integration of technology into the classroom.
- * At the University of Northern Iowa: replacement of obsolete, limited capability equipment, expanded computerized library access, and expanded computer access for off-campus students.

The Board Office recommended that the Board implement the final year of the four year phase-in of mandatory student health fees, which it adopted in 1989. The phase-in commenced in fiscal year 1991 with a fee of \$10/semester and has been increased by \$10/semester each year.

The goals of the student health fee program are to provide basic health services equitably to all, self-supporting students and to put the student health services on a financially sound basis.

The current \$30 per semester mandatory student health fee is estimated to yield approximately \$ 6.092 million in fiscal year 1993 for all three universities. Benefits accruing from the fee in the current fiscal year 1993 included:

- * elimination of the voluntary student health fee and a decrease from \$573,676 to \$313,853 in the amount of General Fund subsidy at Iowa State University;
- * reduction in the general fund subsidy from \$935,774 in fiscal year 1991 to \$471,524 in fiscal year 1993 at the University of Iowa;
- * elimination of the activity fee subsidy and stabilization of the general fund subsidy at \$44,812 at the University of Northern Iowa.

The \$40 per semester student health fee is estimated to yield \$6.684 million in fiscal year 1994. The benefits of the increased fee include:

- * elimination of the general fund subsidy at Iowa State University;
- * reduction in the General Fund subsidy requirement to approximately \$275,000 at the University of Iowa;
- * provision of funds for needed, one-time-only expenditures for capital and equipment improvements to improve patient privacy and handicapped accessibility at the University of Northern Iowa.

The University of Iowa and the University of Northern Iowa plan to continue some General Fund support for Student Health Services to offset the costs of services that benefit the entire university community, such as drug and alcohol education, measles immunization, etc.

TOTAL COST OF EDUCATION

Senate File 146, passed in the 1991 legislative session, requires that a final docket memorandum state the estimated total cost of attending each of the Regent universities.

The estimated 1993-94 total student cost of attending Regent universities for resident undergraduates, including the recommended tuition and mandatory fees and other expenses, is projected to rise by 4.8 percent at the University of Iowa to \$8,607, by 5.6 percent at Iowa State University to \$8,283, and by 5.0 percent at the University of Northern Iowa to \$8,045.

The cost projections are based on estimated 1993-94 room and board charges supplied by the university residence systems, and are subject to change before final 1993-94 charges are proposed in spring 1993.

The 1993-94 estimates of costs of books and supplies, transportation, and other living expenses used in the total costs projections are supplied by the student financial aid offices and are derived from the official 1992-93 costs for these items used in calculating financial aid awards.

Dustin Wilcox, President of the University of Iowa Student Association, said this was the last time he would be addressing the Regents. He has spoken several times on tuition and has wondered how much good it does for him to do so. When he was a freshman in 1989 he was asked to give 7 percent more in tuition. The following year it was 9.1 percent more, the following year 7.5 percent more, and now 5.6 percent more. Students cannot afford much more. He discussed tuition as a percentage of disposable income. Iowa's per capita income ranks 33rd in the country. He asked if the Regents were prepared to tell every incoming freshman that they can afford to attend these universities.

Kim Hagemann, President of the Iowa State University Graduate Student Senate, requested that the Regents reconsider the proposed increases of 5.07 percent to 5.48 percent for graduate and veterinary medicine students and consider a percentage increase at or below 3.2 percent. She said graduate and professional students are fewer in numbers than undergraduates. Their parents are less likely to be helping pay their way through school because they tend to be older. She asked that the Regents focus on what Iowa State University gains from its graduate students as they consider increasing their tuition. The university gets very inexpensive research and instruction in classrooms from its graduate students. She said that by keeping the cost of education under control, Iowa State University can recruit the best graduate students.

Ms. Hagemann asked that the Regents not make graduate and professional school only for the elite. Please think twice about raising tuition on Iowa State University's greatest assets and consider a lesser increase in graduate tuition for 1993-94.

Eric Hamilton, President of the Iowa State University Government of the Student Body, stated that this would also be his last opportunity to speak before the Board of Regents. He stated that what students all too often hear is "I'm sorry, that section is full, no other section is available". There has been an increase in students and a decrease in course availability. The Regents have raised tuition to improve the quality of education but he said the quality has not increased. Students are sitting on floors. They need to preserve the broad-based liberal arts education. Until a firm commitment is made to do so, he was opposed to increases in tuition. He was afraid that if they do not make a firm commitment to do so, they are sending the message of "I'm sorry, that university is too expensive. No other university is available."

Mike Dawson, President of the Northern Iowa Student Government, said it was his responsibility to represent student concerns, issues and ideas. The idea he was now presenting was to bridge the gap between the Board Office recommendation and students' request. He encouraged the Regents to consider the resolution passed on August 26 by the Northern Iowa Student Government endorsing a tuition increase equal to the Higher Education Price Index. He said that was the bridge between the two proposals. He also encouraged the Board to increase its current proposal for student financial aid.

Jay Judas, Chairman of the Northern Iowa Government and Legislative Affairs Committee, stated that he has been approached by students concerned about the rising cost of education. The majority of students take longer than 4 years to graduate. Tuition nearly doubles in that 4+ year period. He pleaded with the Regents to reconsider their 5.6 percent recommendation to students' request of 3.2 percent. They must open the educational door to the people of this country. The future of this country depends on it.

Laura Dove, member of the Northern Iowa Ad Hoc Committee on Tuition, stated that she is a junior majoring in public administration. As a student leader she realizes the problem the Regents are facing. There is a definite need to increase tuition but she said it should follow the Higher Education Price Index. She has come to realize that tuition increases are necessary to preserve the quality of the institution. Students who are working to pay their way through college cannot afford these high tuition increases. She asked that they keep the tuition increase at 3.2 percent.

MOTION:

Regent Williams moved (1) that the Board approve increases in basic resident undergraduate tuition at the Regent universities by \$52 per semester, or 4.98 percent, effective summer 1993, as presented; (2) that the Board approve increases in all basic nonresident tuition rates at the University of Iowa by percentages ranging from 7.48 percent to 7.57 percent, and approve an increase in undergraduate nonresident tuition at the University of Northern Iowa of 7.44 percent, effective summer 1993, as presented (page 279); (3) that the Board approve increases in basic tuition at Regent universities in all other categories, effective summer 1993, as presented (page 279); (4) that the proceeds of the tuition increase be earmarked for improvement of undergraduate education; (5) that general institutional financial aid to students be increased at the same rate as the proposed increase in tuition and mandatory fees to offset the impact on students now receiving institutional financial aid; (6) that student fees for computers remain at their current levels; and, (7) that the Board complete the plan adopted by the Board in 1989 to phase in student health fees over four years, commencing in fiscal year 1991, in order to put student health services on a financially self-sufficient basis, by approving increases in the student health fee by \$10 per semester to a total of \$40 per semester, effective summer session 1993. Regent Furgerson seconded the motion.

Regent Berenstein stated that at the last meeting several Regents had questions concerning the appropriateness of the recommended action. He too has a problem increasing the tuition to a level of 5.6 percent. At the last meeting there was a comment that the addition of the \$20 health fee should be included in the computation of the percentage of tuition increase. He questioned whether Regent Fitzgibbon received the information he requested last month. The request was for the cost impact if there were a 3 percent, 4 percent or 5 percent tuition increase. They should at least consider the impact of what would happen if they followed the Higher Education Price Index. The tuition increase could be somewhere between the 3.2 percent and 5.6 percent to facilitate everyone's concerns.

Regent Berenstein said it was his understanding that the proceeds of the tuition increase would be devoted to undergraduate education. Could they facilitate undergraduate education needs with a lesser tuition and still accomplish their intended goals?

Président Pomerantz referred Regent Berenstein to portions of the docket memorandum for the answers to some of his questions.

Regent Dorr spoke in opposition to the proposed rate of tuition increase. He had some concerns that the emphasis of the strategic plan toward quality higher education particularly graduate education relative to some of the other things they are intent upon accomplishing are not necessarily compatible. Some of the recent budget proposals identified about \$4 million that would serve public policy centers. He said those are areas where the Regents can make choices in budget decisions. They were not looking at the budget decisions as closely as they could in that regard. There is a need to increase tuition to some extent. He pointed out that students have the responsibility to plan for their education. As a Board member he would be remiss if he did not point out that the Regents have a co-responsibility. He said he would oppose the recommended rate of increase but would support an increase at the rate of the increase in the Higher Education Price Index. They need to make education a little less complicated and a little more affordable. He said tuition increases are on a higher trending base. He referred to page 18 of the docket memorandum which indicated that tuition increases have escalated in the last ten years about 3.3 percent/year in terms of the tuition as a percent of total student expenses. He reiterated that he opposed the recommended tuition increase but would support an increase in line with the increase in the Higher Education Price Index.

Regent Williams asked for clarification of Regent Dorr's comment about \$4 million in centers.

Regent Dorr said there were several proposed programs that involve public policy centers at the universities in the context of the outreach initiatives and services side of the universities which traditionally has been accepted as one of the universities' charges. He philosophically has

some concerns. It was a choice issue as far as he was concerned. They can make choices that effectively put some of the existing budget resources into making undergraduate education more affordable versus setting up public policy institutes that do not necessarily impact undergraduate education.

Regent Williams told Regent Dorr that she respected his opinion but said that each of the Regent institutions has a mission statement. Each of their missions includes education, research and service. If they are going to be changing their philosophy and their funding perhaps they need to change the philosophy and then let the funding follow it. However, she finds it a little disconcerting to switch "horses" in the middle of the "stream", to say they do not want to raise tuition that much so they will eliminate a public policy center. That is more than a one-year decision and is more than a decision on tuition. That is a shift in mission. There are three Regent universities in this state. They have been given directives by the legislature and by State government to accomplish certain missions. If the Regents are going to eliminate those missions they should do it directly, not through their tuition decision, from the "back door". If they do not feel they should be in the business of establishing public policy centers for whatever purpose the institutions have them, then they should deal with it directly and deal with it through the mission and not through a decision on an annual basis concerning tuition. If they do it that way they are not engaging in any long-range sort of planning; they are doing crisis management and that is no way to run these institutions. She disagreed with Regent Dorr concerning those public policy centers. The three Regent universities are the only places in the state that have been able to accomplish that function.

Regent Hendricks asked for the amount of reversions to the State this past year. President Pomerantz referred Regent Hendricks to his communication from the Board Office that had to do with total revenues year to year. There was a small decrease in total revenues from 1991-1992.

Regent Hendricks said she was concerned to see the universities dropping back in total revenues. In-state undergraduate students are expected to pay approximately 30 percent to 33 percent of the cost of their education. She felt it was important to support the proposed tuition increase.

Regent Johnson referred to strategic planning goals 2) foster and maintain undergraduate and professional education, and 7) improve access by all Iowans to Regent institutions. If they continue to increase tuition she felt they would start limiting access. She said that was why she would have to vote against the proposed tuition increase. A 5.6 percent increase in tuition is unrealistic from the students' view.

President Pomerantz stated that the students did a very fine job in making their presentations to the Board. He said that when he went to a Regent university he had managed to work and complete the 4-year coursework in less

than 4 years. The fact that he had an opportunity to attend a Regent university had a positive affect on his future. He was extremely fortunate in the type of education he had. The reason that is true has a lot to do with the quality of the education he received. He studied under some very prominent scholars. The fact is today that some of the institutions do not have enough senior faculty. The tuition increase is a move that will bring more of the senior faculty into the classrooms. He said these universities are under extreme financial pressures. They experienced a very difficult legislative session last year. The universities have needs that are not met by the legislature. If students do not pay their share they will not have teachers, books or equipment. There is no "free lunch". When he was a student and needed money, he worked a lot harder.

President Pomerantz stated that what the Regents were asking for was a minimum amount of increase. The medical component of the student health fee has been a factor for 4 years. The fact remains that tuition at the University of Iowa is the lowest in the Big 10. Iowa State University's tuition is among the lowest in its peer group and the same is true for the University of Northern Iowa. They can do a lot of statistical maneuvering but the fact remains that higher education at an Iowa Regent university is one of the best kept secrets in the country. If they were to lower the quality of the institution they would cheat everyone across the state of Iowa. The tuition decision which is made every year is never easy. He never likes the idea of limiting access but they should not like idea of lowering quality, either.

Regent Williams said she had a question from a member of the Iowa State University campus concerning the fact that Iowa State University is no longer going to provide any subsidy of student health. President Jischke responded that student health services is fully self-supported by the student fee.

President Pomerantz noted that the intent of the fee was to pick up all the direct medical cost.

Regent Williams referred to page 10 of the docket memorandum which stated that the other two Regent universities plan to continue some general fund subsidy to offset services that benefit the entire university community.

President Jischke noted that Iowa State University officials have not completed the discussion of this subject. They have to make some tough calls and are not going to be able to do everything they want to do.

Regent Williams asked if that means that drug and alcohol abuse awareness and measles immunizations will not be made available on campus. President Jischke responded that certain services for faculty and staff may not be provided.

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Regent Williams expressed concern that the institution has some responsibility for the public health on the campus. President Jischke noted that students are supposed to have their immunizations before they start college.

Regent Williams said that if those areas are completely eliminated they must make sure that students are healthy enough to go to class. That will be of great concern to her.

President Jischke said the student health fees cover the cost of services to students. Whether the general university fund should further subsidize student health services was at issue.

President Pomerantz mentioned the need for health education.

Regent Williams expressed concern for having a different policy operating at the other two universities.

President Pomerantz said that may be a subject for a subsequent meeting if the Regents are not satisfied with how the matter is being handled.

Regent Williams suggested this item be back on the Board's agenda. President Pomerantz asked that the matter be placed on the agenda for next month's meeting.

Regent Dorr referred to the inflation issue as it relates to the proposed tuition increase. He said some fairly preeminent economists say the inflation rate will not be significant. He suspected that part of the issue was that the State legislature has passed on a great number of additional charges which is spreading resources thinner than they were spread a few years ago. Should the universities represent good quality education and basic research or a whole lot of additional things? The legislature needs to know these other things need funding.

President Pomerantz stated, from a political perspective, the Regents expect the legislature to do its task of sufficiently funding these institutions. They expect the Regents to establish a sufficient tuition rate. If the Regents start understating tuition their funding will be affected. They need to maximize the appropriations.

VOTE ON THE MOTION:

Upon the roll being called, the following voted:

AYE: Fitzgibbon, Furgerson, Hatch, Pomerantz, Tyrrell, Williams.

NAY: Berenstein, Dorr, Johnson.

ABSENT: None.

The motion carried.

REVIEW OF BUDGET PRIORITIES. The Board Office recommended that the Board approve (1) priorities for approved fiscal years 1994 and 1995 operating budget requests; (2) institutional operating budgets developed to fulfill state statute requiring development of 75 percent base budgets; and (3) packages restoring each institution's base budget from the 75 percent level to a level equivalent to fiscal year 1993 operating budgets minus one-time payments.

The Board Office recommended the following priorities for appropriation requests adopted by the Board at its September meeting:

1. Supplemental appropriations for fiscal year 1993;
2. Salary annualization;
3. Inflation, including all utilities costs;
4. Opening new buildings;
5. Instruction/enrollment growth;
6. Improving undergraduate education;
7. Building renewal;
8. Access to higher education/minority students;
9. Agricultural research;
10. Research/graduate education/educational reform;
11. Child care;
12. Technology transfer;
13. Outreach initiatives; and
14. Administrative systems.

The State of Iowa requires by statute that each institution develop a base budget for fiscal year 1994 assuming that appropriations are reduced by 25 percent from their 1993 levels.

The following table shows each institution's 1) fiscal year 1993 appropriations, 2) adjusted fiscal year 1993 appropriations minus back pay and bonuses, and 3) 75 percent of the adjusted fiscal year 1993 appropriations.

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(\$ in Thousands)			
<u>Institution</u>	<u>FY 93 Appropriations</u>	<u>Adjusted FY 93 Appropriations</u>	<u>75% Base</u>
University of Iowa			
General University	\$178,694	\$177,070	\$132,802
Hospitals and Clinics	28,296	28,023	21,017
Psychiatric Hospital	6,841	6,762	5,071
Hospital School	5,497	5,404	4,053
Hygienic Laboratory	3,046	2,983	2,237
Spec. Child Health Care Svcs.	423	421	316
Oakdale Campus	2,810	2,769	2,076
Family Practice	<u>1,764</u>	<u>1,763</u>	<u>1,322</u>
Sub-Total	\$227,371	\$225,194*	\$168,895*
Iowa State University			
General University	\$145,386	\$143,934	\$107,961
Experiment Station	24,749	24,577	18,433
Cooperative Extension	17,109	17,013	12,760
IPRT	<u>3,216</u>	<u>3,216</u>	<u>2,412</u>
Sub-Total	\$190,461	\$188,741	\$141,565
University of Northern Iowa	\$ 64,886	\$ 62,624	\$ 46,968
Iowa School for the Deaf	\$ 6,069	\$ 5,989	\$ 4,492
Ia Braille & Sight Saving School	<u>\$ 3,441</u>	<u>\$ 3,371</u>	<u>\$ 3,529</u>
TOTAL	\$492,227*	\$485,919*	\$364,449*

* Totals may vary slightly because of rounding.

Each institution determined what it must cut out of its activities to accommodate 75 percent base appropriations and described the impact of these cuts on the basic mission of the institution.

Each institution described the priority order for restoration of funding in a series of restoration packages that will return its appropriations to its adjusted fiscal year 1993 level.

The 75 percent base appropriations will require the Regent institutions to reduce:

1. faculty and administrative costs by nearly \$43 million;
2. professional and staff expenditures by nearly \$29 million;
3. general service staff expenditures by nearly \$26 million;
4. supplies and services by \$11.8 million;
5. student financial aid by \$3.1 million; and
6. other expenses by \$8.6 million.

The Board Office is required to develop a 75 percent base budget. Following is a summary of the appropriate statistics for the Board Office:

Fiscal Year 1993 Appropriations	\$1,073,283
Adjusted Fiscal Year 1993 Appropriations	1,070,636
Net Base	802,971

Mr. Richey stated that the recommendation was submitted for Board approval prior to transmittal to the Department of Management. There is a state legislative requirement to prioritize 25 percent of appropriations. If the amount of appropriations is less than requested they can fund pieces of individual priorities.

Regent Berenstein said the most salient point was provided on page 4 of the docket memorandum for G.D. 10.

Regent Hendricks asked if items 1 through 14 were listed in terms of importance of priority. Mr. Richey responded that they were listed in priority order with the understanding that adjustments might have to be made if the amount of funding was not fully provided.

President Pomerantz asked if the child care category was for day care services. Mr. Richey responded that it was.

Regent Dorr asked if the Regents have a policy relative to child care. Mr. Richey responded that the Regents performed a major study on this issue 2 to 3 years ago as a response to a legislative request. Appropriations, in a limited way, ensure students and employees that their children are appropriately cared for.

Regent Dorr asked if the Regents have an adequate policy or whether it has just evolved. Mr. Richey said there is not an actual policy. President Pomerantz said there will be day care. The issue is who will pay for it.

Regent Dorr stated that the institutions have limited resources. Child care should be for the children of students.

President Pomerantz suggested the study be brought up to date. The Regents should take a look at it within the next 3 months.

MOTION: Regent Hendricks moved to approve (1) priorities for approved fiscal years 1994 and 1995 operating budget requests; (2) institutional operating budgets developed to fulfill state statute requiring development of 75 percent base budgets; and (3) packages restoring each institution's base budget from the 75 percent level to a level equivalent to fiscal year 1993 operating budgets minus one-time payments. Regent Williams seconded the motion, and it carried unanimously.

REVIEW OF THE GOALS OF THE STRATEGIC PLAN OF THE BOARD OF REGENTS. The Board Office recommended that the Board (1) reaffirm the Regent Strategic Planning Goals approved in September 1989, (2) approve minor modifications in goal #1 to ensure that its scope includes special schools explicitly, and (3) receive report summarizing review of goals.

This report summarizes the results of a review of the Regent goals undertaken after a series of discussions with officials at each Regent institution. The review indicates that the Regent goals have functioned well in 1) guiding institutional strategic planning and 2) directing annual budget development.

Several improvements in the goals are desirable but recommendations for change should be made with caution and in a context that takes into account an updated environmental assessment and appropriate consultation with the institutions.

The Board Office recommended at this time that the Board reaffirm its support for the current list of thirteen goals and adopt a modification to goal #1 to make explicit reference to the special schools.

The Regent goals are listed below with the suggested modification to goal #1 italicized.

1. Ensure that quality teaching remains a key priority within all Regent institutions: *higher education at the universities and elementary/secondary education at the special schools.*
2. Foster and maintain undergraduate instructional programs of high quality.
3. Enhance the quality of graduate and professional education.

4. Strengthen research and other creative work at the Regent institutions.
5. Attract, develop, and retain faculty, staff, and students high in quality and diverse in composition.
6. Improve the facilities, equipment, and operating budgets basic to strong programs of teaching and research at the Regent institutions.
7. Improve access by all Iowans to Regent institutions.
8. Escalate efforts to increase the participation of minorities in higher education.
9. Develop and implement effective marketing strategies for each university.
10. Emphasize efforts to raise private funds, especially to support innovative programs falling outside the categories recognized by government.
11. Improve the flexibility, efficiency, and accountability of governance throughout the Regent system.
12. Contribute to the economic development of the state.
13. Encourage cohesiveness and cooperation throughout the Regent system.

Director Kominski stated that considerable discussion took place in July when the Board was presented with preliminary recommendations. She reviewed the Board Office recommendation presented this month.

Regent Tyrrell questioned the statement on page 2 of the docket memorandum that the ideal number of goals is somewhere between 5 and 7.

Mr. Richey responded that with institutions of this complexity and a Board that has several priorities, there are going to be more than a few goals. He said one thing to be kept in mind as the Regents draw up strategic plans and goals is that there has to be "buy-in" by the Board and by the institutions. If it takes 13 goals to get the buy-in that is what they will have.

President Pomerantz said the concept is that if they have too many goals they get proliferated to the point where they cannot focus.

MOTION:

Regent Furgerson moved to (1) reaffirm the Regent Strategic Planning Goals approved in September 1989, (2) approve minor modifications in goal #1 to ensure that its scope includes special schools explicitly, and (3) receive report summarizing review of

goals. Regent Berenstein seconded the motion, and it carried unanimously.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board (1) receive reports on current Banking Committee items, (2) adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$6,200,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 1992, (3) adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$10,410,000 Athletic Facilities Student Fees and Revenue Refunding Bonds, Series S.U.I. 1992, (4) approve Risk Management 28E Agreement for Resolution of Tort Claims as follows: (a) 28E Agreement for Resolution of Tort Claims under \$2,000 including proposed Settlement Policies and Guidelines; (b) Revision of the Statement of Risk Management Policy to reflect the changes; (c) Implementation of the Tort Liability portion of the Risk Management Program effective January 1, 1993, and (5) approve depositories for the Iowa School for the Deaf and Iowa Braille and Sight Saving School.

Regent Fitzgibbon stated that at that morning's Banking Committee meeting the committee members discussed the response to the State Auditor's comments on travel, the use of the Iowa Financial Accounting System at the special schools, the Board's proposed bond refunding schedule, the risk management 28E Agreement for resolution of tort claims, and depositories for the Iowa School for the Deaf and Iowa Braille and Sight Saving School, and received a report from the University of Northern Iowa Internal Auditor.

MOTION:

Regent Fitzgibbon moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$6,200,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 1992. Regent Dorr seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hendricks, Johnson, Pomerantz, Tyrrell, Williams.
NAY: None.
ABSENT: None.

MOTION:

Regent Fitzgibbon moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$10,410,000 Athletic Facilities Student Fees and Revenue Refunding Bonds, Series S.U.I. 1992. Regent Dorr seconded the motion, and upon the roll being called, the following voted:

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AYE: Berenstein, Dorr, Fitzgibbon,
Furgerson, Hendricks, Johnson, Pomerantz,
Tyrrell, Williams.
NAY: None.
ABSENT: None.

Regent Fitzgibbon stated that a request was introduced at the Banking Committee meeting that morning from University of Iowa officials to refinance the IBM 3090 Mainframe Computer under the master lease agreement. University officials project a savings of approximately \$34,000 over the next 18 months.

MOTION: Regent Fitzgibbon moved to refinance the IBM 3090 Mainframe Computer under the master lease agreement. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon,
Furgerson, Hendricks, Johnson, Pomerantz,
Tyrrell, Williams.
NAY: None.
ABSENT: None.

Regent Fitzgibbon noted that the Banking Committee has been dealing with the risk management 28E Agreement for the last 3 to 4 years.

MOTION: Regent Fitzgibbon moved to approve the risk management 28E Agreement for resolution of tort claims, as presented. Regent Berenstein seconded the motion, and it carried unanimously.

Regent Fitzgibbon reminded the Board that the deposits of both these schools are FDIC insured up to \$100,000. Anything over that falls into the category of being collateralized 110 percent by the banks in accordance with the Code of Iowa Chapter 453. The Banking Committee asked that be verified through the Board and made part of the Minutes.

MOTION: Regent Fitzgibbon moved to approve depositories for the Iowa School for the Deaf and Iowa Braille and Sight Saving School. Regent Tyrrell seconded the motion, and it carried with Regent Berenstein abstaining.

ACTION: President Pomerantz stated the Board received the report of the Banking Committee, by general consent.

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REPORT OF THE CONSULTANTS ON THE PURCHASING STUDY. The Board Office recommended the Board (1) receive the consultant's report on purchasing functions at Regent institutions and (2) refer the report to the Board Office to work with the consultant and with the institutions for development of a plan of action. A progress report should be provided to the Board at its November meeting.

In June 1992, MGT of America, Inc., was selected to conduct a review of the purchasing function at Iowa Regent institutions; on September 15, 1992, MGT submitted its report.

MGT's report concluded that, given the staff resources, when considered individually, overall internal operations at Iowa institutions are generally handled effectively and efficiently. In its report, MGT addresses specific concerns of the Board, such as use of Local Small Orders, and found no abuse. MGT recommended that audits be scheduled to monitor certain functions.

Two of the 15 interinstitutional recommendations to achieve savings and promote accountability were highlighted for Board action. The Board should require greater interinstitutional cooperation in the development of systemwide RFPs and the development of interinstitutional vendor contracts and the Board should develop an audit plan to ensure accountability and monitor sensitive institutional purchasing activities.

Included in the report were 62 recommendations addressed specifically at improvement of purchasing operations at Regent institutions. MGT reported that some of the savings from implementation of its recommendations will result from future cost avoidance.

Based on the cumulative results of these recommendations, the consultant estimated that the institutions will be able to save over \$2 million annually.

Mr. Richey stated that this was an informational item; a full report will come to the Board in November with a recommended plan of action.

Regent Hendricks stated that she had requested the purchasing report and purchasing functions be discussed by the Banking Committee. She would like that opportunity before going further with this item. She had some concerns she would like to discuss more fully regarding some of the consultant's recommendations.

The Regents discussed the appropriateness of the purchasing report being discussed by the Banking Committee.

President Pomerantz requested a Priority Study Committee meeting for this purpose only. He asked that information on the meeting be sent out to the Regents within the next few days.

Interim Vice President True stated that the University of Iowa has a new purchasing director coming on the first week of November. He asked, if possible, for this project to be brought back to the Board in December to allow for the purchasing director to be involved in the discussion of the consultant's report.

ACTION: President Pomerantz stated the Board, by general consent, (1) received the consultant's report on purchasing functions at Regent institutions and (2) referred the report to the Board Office to work with the consultant and with the institutions for development of a plan of action. A progress report should be provided to the Board at its November meeting.

TARGETED SMALL BUSINESS REPORT. The Board Office recommended that the Board (1) receive the Targeted Small Business report; (2) request the institutions to explore additional avenues for increasing contracting opportunities to women and minority Targeted Small Businesses; (3) direct that studies be made to determine what products are not being furnished by Targeted Small Businesses; and (4) encourage the Regent Affirmative Action Officer to continue discussions with construction industry officials regarding the awarding of contracts to Targeted Small Businesses.

Regent institutions spent \$10,605,025 with Iowa Targeted Small Businesses (TSBs) during fiscal year 1992. This amount was 2.8 percent of total purchases (\$374,029,616) for the same period.

The Board of Regents is required to establish a statutory goal of at least 10 percent for anticipated procurement from Targeted Small Businesses.

Regent awards to Targeted Small Businesses accounted for 28.2 percent of all state awards to these businesses for the reporting period.

Regent institutions awarded contracts to 106 Targeted Small Businesses. A total of 865 companies were certified by the Department of Inspections and Appeals.

Awards were made to 94 women-owned businesses and 12 minority-owned businesses as follows:

	<u>Women-Owned Businesses</u>	<u>Minority Owned Businesses</u>	<u>Total</u>
Vendors & Suppliers	82	5	87
Construction Contractors	<u>12</u>	<u>7</u>	<u>19</u>
Total	94	12	106

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Construction awards to Targeted Small Businesses declined from \$2,742,459 (3.64 percent) in fiscal year 1990 to \$989,170 (2.57 percent) in fiscal year 1992.

Regent purchasing officers assert that the number of Targeted Small Business vendors and suppliers who can provide commodities required by the Regent institutions is relatively small.

Mr. Richey stated that the Regent institutions are nowhere near achieving the State goal of 10 percent of purchases from targeted small businesses. He believes progress can be made within the present rules.

Regent Furgerson stated that one of the problems may be a need for technical assistance. She questioned whether any of the people in the Business Colleges could assist in providing technical assistance.

President Pomerantz reminded institutional officials that this is a State law which merits the attention of the top echelons of the institutions.

MOTION:

Regent Berenstein moved to (1) receive the Targeted Small Business report; (2) request the institutions to explore additional avenues for increasing contracting opportunities to women and minority Targeted Small Businesses; (3) direct that studies be made to determine what products are not being furnished by Targeted Small Businesses; and (4) encourage the Regent Affirmative Action Officer to continue discussions with construction industry officials regarding the awarding of contracts to Targeted Small Businesses. Regent Furgerson seconded the motion, and it carried unanimously.

ANNUAL REPORT ON SALARIES. The Board Office recommended the Board receive the Annual Salary Report for Fiscal Year 1993.

This report is presented to the Board each fall after the new fiscal year salaries are known for the Regent institutions. The report provides actual faculty salaries for the comparison groups for the past year as obtained from the American Association of University Professors. Estimated faculty salaries for the current year are obtained by contacts with comparison institutions.

The report contains information concerning salaries for research and graduate assistants, faculty at the special schools, general service staff and professional and scientific staff.

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Nonorganized faculty members at the University of Iowa were given an average increase of 7.2 percent. Faculty members at Iowa State University were given an average increase of 6.61 percent. The University of Northern Iowa United Faculty received 5.5 percent increase for fiscal year 1993 as well as back pay of five percent for fiscal year 1992.

Professional and scientific employees were given an average increase of 7.2 percent at the University of Iowa; 7.1 at Iowa State University; 8.9 percent at the University of Northern Iowa; 7.4 percent at the Iowa School for the Deaf; and 7.5 percent at the Iowa Braille and Sight Saving School.

Members of the AFSCME bargaining units received a four percent increase plus five percent back pay. Bargaining unit members will also receive a \$400 one-time bonus in December 1992 as well as merit step increases.

Supervisory general service staff were given a 7.5 percent increase plus merit step increases. They did not receive back pay for fiscal year 1992 as did general service staff in the bargaining unit. In addition, they will not receive the \$400 bonus.

While there were inequities between the increases given to organized faculty at the University of Northern Iowa and nonorganized faculty at Iowa State University and the University of Iowa, all three universities moved ahead in average salary ranking within their comparison groups.

The University of Iowa overall faculty salary is ranked 4th in its comparison group as compared to 7th last year. Iowa State University is in 7th position in its 11-institution comparison group. It was ranked 10th last year. The University of Northern Iowa was ranked 7th last year and is in 5th position this year.

Generally, the salaries of female faculty members are lower than their male counterparts.

Comparison institutions reported salary increases ranging from zero to nearly eleven percent. Institutions reporting no increases were University of Michigan, Ohio State University, Michigan State University, California State University (Fresno), and Northern Arizona University.

Average nine-month equivalent salaries for nonprofessional college faculty at the Regent universities for 1992-93 are:

University of Iowa	\$55,022
Iowa State University	\$54,496
University of Northern Iowa	\$44,492

Salaries by rank for 1991-92 and projections for 1992-93 are as follows:

	<u>Comparison Group</u>		<u>Big 10</u>	
	<u>1991-92</u>	<u>1992-93</u>	<u>1991-92</u>	<u>1992-93</u>
<u>SUI</u>				
Professor	7th	5th	5th	4th
Associate	5th	3rd	3rd	2nd
Assistant	7th	6th	6th	4th
Instructor	1st	1st	1st	1st

	<u>Comparison Group</u>		<u>Big 8</u>	
	<u>1991-92</u>	<u>1992-93</u>	<u>1991-92</u>	<u>1992-93</u>
<u>ISU</u>				
Professor	5th	4th	2nd	1st
Associate	4th	1st	2nd	1st
Assistant	9th	7th	3rd	2nd
Instructor	8th	8th	6th	6th

	<u>Comparison Group</u>	
	<u>1991-92</u>	<u>1992-93</u>
<u>UNI</u>		
Professor	5th	5th
Associate	5th	4th
Assistant	7th	2nd
Instructor	5th	3rd

Average increases for fiscal year 1993 for the Regent universities and their comparison groups are as follows:

<u>Average Faculty</u>	<u>Comparison Group</u>
<u>Salary Increase</u>	<u>Average Increase</u>
SUI 5.5%	2.77 percent
ISU 6.61%	2.84 percent
UNI 10.775%*	3.47 percent

*(Includes salary increase for fiscal year 1992 for UNI United Faculty)

Salaries for half-time appointments for teaching and research assistants in 1992-93 range from \$9,000 to \$12,700 at the University of Iowa; from \$7,425 to \$13,500 at Iowa State University; and from \$6,000 to \$9,000 at the University of Northern Iowa.

The salaries of teaching and research assistants were increased 3.45 percent at the University of Northern Iowa and approximately five percent at the University of Iowa. Iowa State University did not increase salaries for teaching and research assistants for fiscal year 1993.

The overall average faculty salary at the Iowa School for the Deaf for 1992-93 is \$34,679. The average faculty salary at the Iowa Braille and Sight Saving School is \$31,998.

Comparison of the faculty salaries at the special schools both with the area public schools and with regional schools will be provided to the Board in December.

Director Barak reviewed the information provided in the docket memorandum with the Regents.

President Pomerantz recognized Dana Burnett, representing the Graduate and Professional Student Senate at the University of Iowa.

Ms. Burnett discussed Teaching Assistant stipend increases. The Regents were provided with a packet of supporting documents for the presentation. Ms. Burnett reminded the Regents that one of their strategic planning goals is to enhance the quality of graduate and professional education. She said it was important to recognize that at major research universities the quality of graduate programs has a significant impact on the quality of undergraduate programs. This was important to remember in a year when the Regents are continuing to emphasize the importance of undergraduate education. Among the strategies to achieve this goal are raising net compensation for teaching and research assistants including tuition waiver and fringe benefits to the upper quartile of the Big 10.

Ms. Burnett referred the Regents to the summary table 1 which she had provided. That table showed tuition and stipend figures for 1987 through 1991. She said it appeared that the Regents were saying to graduate students that they were going to continue to charge them more for their education and at the same time not recognize the significant contribution the students were providing to the university. She then referred to summary table 2 which was a summary of stipends ranking of Big 10 universities. She said the University of Iowa ranked second for the amount of stipends. However, summary table 3 showed the rankings adjusted for tuition. She said the University of Iowa and the University of Wisconsin are the only two universities in the Big 10 that do not offer tuition remission for Teaching Assistants. For instance, Purdue, whose stipend is \$8,835, also gives its students \$7,400 in tuition remission. Therefore, after the adjustment, their stipend is \$16,000. This comparison places the University of Iowa number 10 in the Big 10.

With regard to summary table 4, Ms. Burnett stated that the 7.5 percent increase the Regents just approved for graduate student tuition is going to generate additional revenue in the amount of \$630,479.85 for residents and \$1,850,966.25 for non-residents, for a total of almost \$2.5 million additional revenue from graduate students. She then referred to the

original institutional appeal for \$1.5 million of the additional revenue to be added to graduate student stipends.

Ms. Burnett then discussed a graph illustrating that the poverty level for a one-person household is in the middle \$6,000 range. While graduate students are well below the poverty level, they are not eligible for any welfare benefits because they are students. They rely purely on what revenue they can generate for themselves. Teaching Assistants have had increased responsibilities at the universities throughout the last couple of years because of the emphasis on undergraduate education. They are teaching more sections for the same amount of money or less. They are also picking up the research that professors have to leave to go back to the classrooms in order to teach more sections themselves. She noted that these research projects are revenue generators for the university.

Ms. Burnett stated that with the \$1.5 million of additional revenue the university could provide an across-the-board 2 percent stipend increase which she said would signify a commitment from the Board of Regents to graduate students.

Regent Williams stated that she had questioned last month the recommendation that all of the tuition increase should be dedicated to undergraduate education. She said some interesting and important points had been made concerning the fact that the graduate tuition has been raised but that does not go back into graduate education because the Regents' priority is undergraduate education. She asked if what Ms. Burnett had requested would require a change in what the Regents had just approved.

President Pomerantz stated that it was his belief that the university administrations would have to deal with the issue of salaries for graduate assistants. It is an issue not only at the University of Iowa but at all three campuses. It is something that ought to be addressed.

President Rawlings stated that three years ago University of Iowa officials began including graduate student financial issues as a major request in their budget, particularly the issue of helping graduate students with tuition. He said it was true that the University of Iowa along with the University of Wisconsin are the only two schools in the Big 10 that do not offer tuition assistance for graduate students who are Teaching Assistants or Research Assistants. That basically makes them very uncompetitive with other universities in the Big Ten in recruiting and retaining good graduate students. It is a very important issue. University of Iowa officials have put this high on their list of priorities for the last 3 years. It has not been funded through the legislative process, partly because Iowa has had difficult budgets over these years. He said Ms. Burnett was correct to point to the strategic plan and to say that these are very important goals that the university has been unable to make progress on the last couple of years. It does impact undergraduate education because the better students

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that can be brought into the graduate programs the better teacher the undergraduates are going to have. Often many of the graduate students are very good teachers since they are in the middle of their own studies; they are eager and enthusiastic. This is a very important agenda item for the university and has been for several years. Ms. Burnett was quite correct to say that university officials have been unable to make progress on it during that period of time.

Regent Hendricks referred to Ms. Burnett's request to put Teaching Assistants' salaries in the upper quartile among the comparison groups. She said that none of the three universities' faculty salaries are in the upper quartile. Her request may be a bit ambitious if they want to keep their comparison groups comparing.

President Rawlings responded that if the University of Iowa faculty salaries are not in the upper quartile of their comparison group, they are awfully close to it.

President Pomerantz said they are ranked fourth in the Big 10.

President Rawlings stated that Ms. Burnett was correct in saying that the University of Iowa ranks tenth in the Big 10 in overall adjusted Teaching Assistant's salary.

Vice President Nathan noted that University of Iowa officials would be delighted for their Teaching Assistant salaries to be in the upper one-half.

Ms. Burnett stated that she was not asking for Teaching Assistants' salaries to be put in the upper quartile next year. They were asking for a commitment from the Regents that they do support graduate students on this and that they agree this is part of their plan and this is where they are heading. A 2 percent increase across-the-board is not going to put them in the upper quartile but it is going to help them feel a little more competitive. It is going to help students be able to pay their tuition bill. Teaching Assistants would only have to pay \$66 of the increased tuition next year instead of approximately \$196 if their stipends are increased by 2 percent. She noted that the University of Iowa's Teaching Assistants are the "cream of the crop". They are the top graduate students. They have the contact with undergraduates. They are the ones mentoring undergraduates. They carry much of the burden of the university's budget crisis on their backs right now. Support of her request would be a very positive step for those people.

Regent Berenstein said it was his understanding that the impetus of the increase in tuition was to help undergraduate education. Ms. Burnett's presentation indicated that \$2-1/2 million will be the amount of additional revenue from the increase in tuition and she was asking that \$1.5 million of that be devoted to graduate student stipends. Does that contradict the

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devotion of the proceeds of the tuition increase going to undergraduate education?

President Pomerantz said the logic is that the graduate student will be teaching the undergraduate. With regard to the 2 percent suggested increase, he said he would hate to have the presidents of the universities prejudiced by a 2 percent request because something more may be in order. He then said there is no "lid" on the number of graduate assistants the universities have. It is a mistake to have more graduate assistants than they can afford. If they cannot afford to pay them a decent wage then they ought to have less Teaching Assistants that they can afford to pay more to. If some of those graduate assistants were replaced with permanent faculty they would all be a lot happier and the quality of the institutions would go up.

President Jischke said he wanted to make one comment for the record. He said there was an inaccuracy on page 5, second paragraph of the docket memorandum for G.D. 15 that says Iowa State University did not increase the salary for Teaching Assistants and Research Assistants. That simply was not true. The average increase was just at 5 percent. (NOTE: The report submitted by Iowa State University has been corrected.) Some of the compensation funds went to improve the health benefits for those students and was something the students were quite supportive of.

Regent Williams then addressed a completely different issue. She said she has had the same question for many years. She referred to the statement on page 2 of the docket memorandum for this item which stated that generally, the salaries of female faculty members are lower than their male counterparts. There were some very graphic demonstrations of that in the exhibits. She asked if this was ever going to change.

Vice President Nathan responded that it actually was changing. Considerable progress has been made this year. The difference in large part now is accounted for by the fact that male faculty on average have been at the university longer and are senior in each of the ranks. University of Iowa officials set aside a significant portion of salary increase money for equity purposes. A very significant amount of that money was spent to achieve equity, primarily in the College of Medicine, but throughout the university.

Regent Williams gave the example of two people, a male and a female, who have been at the university an equal amount of time, have equal credentials, and are at the same rank. Are they getting similar salaries or is there still a disparity between the male and female salaries in those categories?

Vice President Nathan said there darn well ought not to be disparity. He does not believe there is. He has asked the deans to be certain that in cases like that their salaries are the same. That is why the deans came to his office with the request for supplemental money.

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Regent Williams said that if they are at parity with equal credentials, equal experience and comparable lines, she is satisfied with that. But if they are not, she had a problem with it. She asked if there was some way to break this out so the Regents see that information more graphically in comparisons of "apples and apples".

Vice President Nathan said they would provide that information in whatever manner the Regents would like it provided. However, he was willing to state categorically that such inequity does not exist. The deans have been informed that it will not exist. University officials have made every good faith effort to see that it does not exist.

Regent Williams asked that the Regents be provided with those figures as soon as possible.

Vice President Nathan questioned how the information could be presented.

Regent Williams said that all they have to do is take the assistant professors and the associate professors with the same experience and do a comparison.

President Rawlings noted that what makes it a bit more complicated is that it varies by department, it varies by discipline, and it varies by college for different reasons. Faculty members, whether they are male or female, get paid a good deal more in one department than they do in another department. It would be "apples and oranges" if they compare Professor X who is an assistant professor for three years in Department A versus Professor Y with the same amount of experience but in a completely different department.

Regent Williams said she understood that it becomes complicated. However, she said she knew that it was probably easier for university officials to attract a female faculty member in any category at a lower rate than it would be to attract a comparable male faculty member.

Vice President Nathan said he did not think that was true. He then suggested that university officials could work with the Board Office to develop a format that would enable them to present the requested information to the Regents in as understandable a manner as possible. He said it might be interesting to see the decrease in the gap from year to year. Regent Williams said that would be good information to present, also.

President Pomerantz asked Mr. Richey to work with university officials to develop an acceptable document for presentation to the Regents.

Regent Berenstein then asked that the Regents go back to the earlier comment concerning use of permanent faculty for teaching undergraduates. He asked

Ms. Burnett that when she makes computations about the additional money that they are going to use that she take into consideration the use of permanent faculty. It seemed to him that at the July 1992 Board of Regents meeting a commitment was made to have a higher percentage of permanent faculty teaching undergraduate students. He said that might have been the most important decision that has been made by this Board since he came on the Board 3-1/2 years ago. He wanted to make sure those facts are taken into consideration in determining the necessity for additional monies for graduate student stipends. He wanted that articulated in a way that is meaningful to the rest of the Board.

President Rawlings said that point was well taken. University of Iowa officials do want to make substantial progress with the program that Regent Berenstein had described. On the other hand, he did not want to start taking a position that they are trying to eliminate all Teaching Assistants. Teaching Assistants are a very vital part of the university and will continue to be because these are the teachers of the future. Many of them are just a year or two away from being faculty members themselves. They are excellent teachers. He said it is a balancing act.

President Pomerantz said the Regents were suggesting perhaps a little different balance, not an elimination of anything.

Carolyn Dullard, Iowa Braille and Sight Saving School Faculty Association President, presented the Regents with the faculty's proposal for changes in the salary package for 1993-94. She said faculty at Iowa Braille and Sight Saving School strives to serve those visually impaired students in Iowa. Faculty needs to be supported in maintaining high standards of teaching and to stay current with new educational methods and strategies. The faculty's proposal for 1993-94 was as follows: 1) increase of 6 percent in the base salary, 2) increase number of personal leave days by one for a total of 2 days/year, 3) increase accumulation of personal leave to 4 days, and 4) increase number of days for bereavement leave to 5 days.

ACTION: President Pomerantz stated the Board received the Annual Salary Report for Fiscal Year 1993, by general consent.

ANNUAL ENERGY CONSERVATION REPORT. The Board Office recommended the Board receive the annual report on energy conservation.

The Board of Regents and the General Assembly have identified energy conservation as an issue in the effective governance of the Regent institutions. Energy consumption at all Regent institutions has been reduced by varying degrees since the peak year for consumption, fiscal year 1979. The University of Iowa has reduced consumption 15.5 percent, Iowa State University 25.3 percent, and the University of Northern Iowa 13.8 percent.

Regent institutions completed comprehensive engineering analyses which identified \$39 million (1989 dollars) in energy conservation measures, with \$8.9 million in annual savings for a simple payback of 4.4 years not including the cost of money.

At the University of Iowa, Phase I construction (\$3.7 million) of the two-phased West Campus Energy Conservation Improvement Program is now complete and has resulted in major reductions in energy usage, particularly in the use of electricity. Energy usage in the Hardin Library for Health Sciences was reduced nearly 50 percent. The Dental Science Building and the Field House reported reductions of 20 percent to 25 percent.

The University of Iowa has completed the Power Plant Energy Optimization and Energy Management Control project at a cost of \$4 million. Utility cost savings now approximate \$1 million from these improvements.

Other examples of successful energy conservation measures at the university include the installation of packaged Boilers 7 and 8, completion of various steam distribution projects, implementation of shift changes in the Custodial Department, as well as projects completed by the University Hospitals and Residence Services. These improvements helped reduce fiscal year 1992 steam and electricity usage to levels below those of fiscal year 1990.

Iowa State University has implemented its off-hour activity center program which imposed off-hour constraints on campus facilities in an effort to reduce nighttime energy usage.

University officials reported completion of 83 energy conservation measures with estimated annual savings of \$60,700.

Iowa State University is evaluating proposals and the possibility of bond financing for the implementation of two major energy conservation projects, HVAC improvements for the Veterinary Medicine Building and an energy management system modernization and upgrade program.

University of Northern Iowa officials reported that eight energy conservation projects were completed in fiscal year 1992. The university is pursuing funding to complete additional energy conservation measures.

The Iowa School for the Deaf continues to pursue means to reduce energy consumption. The school reported that its energy efficiency program has been successful in reducing energy consumption.

Iowa Braille and Sight Saving School officials reported that it has completed all energy conservation measures identified in the 1989 energy audit having a simple payback of six years or less.

The Board's capital request for fiscal years 1994 and 1995 includes \$300,000 each year for energy conservation improvements at the University of Northern Iowa.

Mr. Richey stated that the report indicates significant progress in energy conservation and a commitment of all the institutions toward that goal. He noted that there was an item in the Regents' capital request for next year for energy conservation. Progress will be made consistent with that. Also, the Regents have authority to issue bonds or notes for energy conservation projects that have a certain payback. Those are under constant review by the institutions. He said the Regents will probably be seeing some of those in the next few months, particularly with interest rates at the level they are.

Regent Fitzgibbon questioned why there would be a delay of a few months in bringing those to the Board for review. Mr. Richey responded that Iowa State University has one under review now.

Regent Fitzgibbon said they all ought to get under review right now. Mr. Richey said they have.

Regent Fitzgibbon asked when the Regents could expect some results from that review. Mr. Richey said they would most likely have a report to the Board either next month or the following month.

Regent Fitzgibbon questioned whether there was a commitment from university officials on that. President Pomerantz stated that Mr. Richey would get the commitment.

Regent Fitzgibbon said they should get a commitment for next month. They were talking about a lot of money.

ACTION: President Pomerantz stated the Board received the annual report on energy conservation, by general consent.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify personnel transactions, as follows:

Appointment: Robert M. Specter as Director of Business and Finance effective November 16, 1992, at an annual salary of \$75,000 plus the usual fringe benefits.

MOTION: Regent Fitzgibbon moved to ratify personnel transactions, as presented. Regent Williams seconded the motion, and it carried unanimously.

VENDOR HAVING CONFLICT OF INTEREST. The Board Office recommended the Board approve the request of Iowa State University to add the name of Judy's Catering to the list of approved vendors with a conflict of interest.

Iowa State University officials requested that the additional name of Judy's Catering be added to the list of approved vendors with a conflict of interest. The university wishes to purchase meals and services from Judy's Catering. The owner, Judy O'Brien, is married to James O'Brien, who is employed as a Meat Processing Specialist at Iowa State University

Iowa State University officials reported that abuses of the rules are avoided by strict scrutiny of proposed purchases from vendors on this list.

MOTION:

Regent Fitzgibbon moved to approve the request of Iowa State University to add the name of Judy's Catering to the list of approved vendors with a conflict of interest. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hendricks, Johnson, Pomerantz, Tyrrell, Williams.

NAY: None.

ABSENT: None.

REPORT ON THE BOARD OFFICE BUDGET. The Board Office recommended the Board receive the report.

Expenditures in the Board Office budget for the first quarter of fiscal year 1993 exceeded projected rates by about \$25,000, due to the cost of the search consultant for the Director of Business and Finance and for the Associate Director of Business and Finance. Rigorous efforts must be undertaken to control expenditures during the next three quarters in order to fit them into the budgeted resources.

Even with elimination of membership dues, severe restrictions on travel and other cost-cutting efforts, an additional \$20,000 in savings or an avoidance of expenditures must be realized for the budget to balance at the end of the fiscal year.

These projections are based on appropriations as allocated and receipts as projected at the rate of \$25,000.

A much closer estimate of the condition of the budget for the fiscal year can be made after the position of Associate Director of Business and Finance is filled.

ACTION: President Pomerantz stated the Board received the report, by general consent.

CONSENT ITEMS.

MOTION: Regent Fitzgibbon moved, seconded by Regent Furgerson, to approve the consent docket, as follows:

Ratify the reappointment of Regent Mary Williams to the University of Iowa Research Foundation for the term expiring in the Fall of 1995;

Receive the Next Meetings Schedule; and

Refer the Iowa State University proposed major in Interdisciplinary Studies to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The motion carried unanimously.

APPOINTMENT OF REGENT TO COMMITTEE. The Board Office recommended that the Board ratify the reappointment of Regent Mary Williams to the University of Iowa Research Foundation for the term expiring in the fall of 1995.

The University of Iowa Research Foundation exists solely for the attainment of charitable, scientific, and educational purposes through benefitting and carrying out the purposes of the University of Iowa. The Foundation works to advance, develop, increase and extend the progress of science and useful arts through encouraging and assisting investigation, research, and education at the University of Iowa. The Foundation furnishes the means, methods, and agencies by which ideas, creations, discoveries, inventions and processes may be protected and the uses thereof determined and safeguarded for the public, and also manages, licenses and disposes of propriety rights in ideas, creations, discoveries, inventions and processes of any nature. The Foundation receives and disburses gifts, grants and property to and for the benefit of the University of Iowa.

The reappointment of Mary Williams to the Iowa Research Foundation was presented for ratification at the recommendation of President Pomerantz.

ACTION: This reappointment was approved by consent.

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NEXT MEETINGS SCHEDULE. The Board Office recommended the Board approve the Next Meetings Schedule, as follows:

November 18-19	University of Iowa/Iowa Braille and Sight Saving School	Iowa City/ Vinton
December 16-17	Iowa State University	Ames
January 20, 1993	Telephonic	
February 17-18	University of Iowa	Iowa City
March 17-18	Marriott Hotel	Des Moines
April 21-22	University of Northern Iowa	Cedar Falls
May 19-20	Iowa State University	Ames
June 16-17	University of Northern Iowa	Cedar Falls
July 21-22	University of Iowa	Iowa City
September 22-23	Iowa State University	Ames
October 20-21	University of Northern Iowa	Cedar Falls
November 17-18	Iowa School for the Deaf	Council Bluffs
December 15-16	University of Iowa	Iowa City

ACTION: The Next Meetings Schedule was received by consent.

President Pomerantz then asked Board members and institutional executives if there were additional general or miscellaneous items for discussion. There were none.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, October 21, 1992.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify personnel transactions, as follows:

Register of Personnel Changes for August 1992.

MOTION: Regent Fitzgibbon moved to ratify personnel transactions, as presented. Regent Williams seconded the motion, and it carried unanimously.

BYLAWS OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS ON THE SELECTION OF THE CHIEF OF STAFF. The Board Office recommended the Board approve the amendments to the Bylaws, Rules and Regulations of the University of Iowa Hospitals and Clinics (UIHC) and its Clinical Staff, effective immediately.

University of Iowa Hospitals and Clinics officials requested Board of Regents approval for amendments to its bylaws to reflect the duties and responsibilities of the newly-created position of Chief of Staff.

The changes in the bylaws include amendments regarding the Chief of Staff's appointment, selection, term of appointment, qualifications, and responsibilities. The responsibilities of the position were outlined by Mr. Colloton during the June Board meeting presentation at University of Iowa Hospitals and Clinics.

MOTION: Regent Fitzgibbon moved to approve the amendments to the Bylaws, Rules and Regulations of the University of Iowa Hospitals and Clinics (UIHC) and its Clinical Staff, effective immediately. Regent Furgerson seconded the motion.

Regent Tyrrell stated that in light of the fact the Hospital Advisory Committee has done such a good job, he agrees to let them resolve their own differences.

President Pomerantz reminded the Board members that the Hospital Advisory Committee can have a recall if it so desires. He suggested the Board of Regents can request a recall at any time.

Regent Tyrrell said the Hospital Advisory Committee could reappoint the Chief of Staff on a continuing basis, which he objects to.

VOTE ON THE MOTION: The motion carried unanimously.

HEALTH INSURANCE BENEFITS. The Board Office recommended the Board approve the proposed change in the health insurance program of the University of Iowa which would permit eligible faculty and staff members who have responsibility for a domestic partner whom they cannot marry to cover that partner (at the expense of the faculty or staff member) in the university's health insurance group through the high deductible option, effective for a three-year trial period beginning January 1, 1993, and ending December 31, 1995. Eligibility for coverage would be subject to provisions outlined in Exhibit A and completion of the Affidavit of Domestic Partnership.

University officials recommended that faculty and staff members covered by the university's health insurance program be permitted to purchase coverage for a domestic partner. Coverage would be for the high deductible option and at the employee's expense.

The partners must meet eligibility requirements as set forth in Exhibit A and file an "Affidavit of Domestic Partnership". The domestic partner coverage option would be available January 1, 1993, for a trial period of three years.

The university's insurance carrier, Blue Cross/Blue Shield of Iowa, will not require the university to pay any premium increase in the next premium year for adding this provision in its eligibility for insurance coverage.

Interim Vice President True stated that since the last Board meeting Associate Vice President Small had spent a great deal of time on this issue, reviewing especially the cost aspects.

Associate Vice President Small stated that during the last several years the university's Funded Retirement and Insurance Committee has considered whether, and if so how, the university could permit faculty and staff to enroll a domestic partner in the university's health insurance. Alan Widiss, professor of law specializing in insurance law and co-chair of the Funded Retirement and Insurance Committee, would discuss the committee's proposal. She said the proposal was based on the need to protect the employee from financial catastrophe resulting from medical costs incurred by someone for whom the faculty or staff member has financial responsibility. The committee recommended a method by which such protection could be available for those who have assumed financial responsibility for a partner whom they cannot enroll in the group through marriage. In order to protect the group from adverse selection related to the newly-covered group, she said the committee recommended several limitations on domestic partner

coverage. The first is a series of rigorous standards for establishing economic responsibility for a partner. Secondly, limitation of coverage to a high deductible option; third, a requirement that the faculty or staff member pay the full additional premium for the coverage; and, fourth, retention of normal underwriting requirements for a partner who is enrolled at some time other than at the time of initial employment or initiation of the program.

After submitting the proposal to the Board, Mr. Richey recommended an additional protection in the form of a 3-year trial period. Associate Vice President Small stated that university officials fully concur with this recommendation. She believed that the proposal before the Board was carefully designed to limit the financial exposure of the university's health insurance group while permitting them to begin providing protection to faculty and staff for whom it was not previously available. University officials appreciate the serious consideration Board members have given the proposal and urged that they support its adoption.

Professor Widiss stated that he has been a member of the faculty of the College of Law since 1965. He was speaking to the Regents as the chair of the University of Iowa Funded Retirement and Insurance Committee. He said that for approximately 2 years the committee has considered whether to recommend health insurance coverage be made available to domestic partners. At the outset of those deliberations there were almost no health insurance plans which provided such coverage; therefore, the committee members sought information from as many sources as possible. In the course of those deliberations the full range of views on the merits of the proposal was examined and debated by the members of the committee. The recommendation represents the committee's judgment that the time has arrived to recognize that there are members of the university community who have long-term stable relationships with domestic partners and that the same interests which warrant providing health insurance plans to the thousands of other persons in the academic community under the aegis of the Regents also apply to the domestic partners. He said the fact that they may be among the first academic institutions to take this step should be neither surprising nor a reason for not approving this proposal.

Professor Widiss said the recommendation to make domestic partners eligible for the university's Chip II coverage is not quite so ground breaking. Several cities, counties, and large private corporations have already approved such plans. In the course of their deliberations the committee members were very concerned about whether making domestic partners eligible for coverage would have significant adverse consequences both for the university and for all the faculty and staff members who pay a significant portion of the cost of the health insurance plans because they elect to purchase coverage for family members. Those concerns caused the committee to recommend a relatively conservative approach. The proposal limits eligibility to the comprehensive health insurance plan 2. The proposal also

restricts access to domestic partners who can demonstrate a significant ongoing relationship attested to in a statement which specifies that the individuals are each other's sole domestic partner and that they have agreed to be responsible for their common welfare. In addition, the proposal specifies that the partners must meet 3 out of 5 additional criteria which were specified in materials distributed to the Regents. University of Iowa officials believe that these 3 requirements will provide more than adequate safeguards. He said that as data is compiled by various employers around the country, it now appears there will not be an unusual or disproportionate claims experience for plans that make domestic partners eligible for coverage.

Professor Widiss stated that there is an ongoing national debate over the cost of health insurance and the need to provide coverage for 35 million to 60 million persons who are either uninsured or inadequately insured in the United States today. This is a major concern for both individuals and public officials in our country. He believes that providing access to the University of Iowa's health insurance plan for domestic partners represents a desirable change in the university's program, one that is fully consistent with the university's and the public's interest in health care. He urged the Regents to approve the recommendation.

MOTION:

Regent Furgerson moved to approve the proposed change in the health insurance program of the University of Iowa which would permit eligible faculty and staff members who have responsibility for a domestic partner whom they cannot marry to cover that partner (at the expense of the faculty or staff member) in the university's health insurance group through the high deductible option, effective for a three-year trial period beginning January 1, 1993, and ending December 31, 1995. Eligibility for coverage would be subject to provisions outlined in Exhibit A and completion of the Affidavit of Domestic Partnership. Regent Williams seconded the motion.

Regent Tyrrell asked for clarification on the opportunity for enrollment. Associate Vice President Small responded that university officials would retain the normal medical underwriting requirements for a partner who is covered other than at the time of initial employment or initiation of this program.

Regent Tyrrell asked if they were not only setting up a three-year trial period but were also allowing people presently employed a thirty-day open

enrollment period without medical underwriting. Associate Vice President Small said that was correct. Professor Widiss noted that was consistent with the university's practice any time an insurance plan is changed.

Regent Hendricks referred to a fax received yesterday from Pat Cain, and asked if it was the university's intention to provide continuation coverage. Associate Vice President Small responded that university officials proposed to treat people covered under the domestic partner enrollment the same as they treat everyone else because it is administratively much simpler and much less expensive. Therefore, they would provide notices of continuation of coverage. It is easier not to separate out a small group and try to treat them different.

Regent Dorr discussed his opposition to authorizing these additional benefits. He said he has received nothing other than verbal assurance that there is enough experience or statistical data to justify the assertion that this is a low-risk, minimal cost benefit to which the existing members of the health insurance pool would be subjected. This issue is one exclusively of budget constraints and fiscal responsibility. Once they allow non-traditional coverage to be put in place they will have few, if any, grounds to deter other non-traditional benefits from becoming the responsibility of the university.

Regent Dorr said the University of Iowa's mission is to provide undergraduate and graduate students an opportunity to attain the finest quality education possible and not to be a public employer offering a zero risk financial environment for every lifestyle of its employees. He did not believe that the restrictions listed in either Exhibits A or B will effectively limit participation in this program. People are smart and innovative and inevitably determine ways to exploit public programs which are available at less than market price. Anyone who has access to an employee of the university and has critical health needs would find it rather simple to accommodate the requirements and circumvent the intent of this benefit thus exposing the balance of the pool participants and the taxpayers of Iowa to higher and unnecessary costs.

Regent Dorr stated that if, as the docket commentary says, they need to recognize the different needs and lifestyles of employees and potential employees then they are using the issue of lifestyles as a definitive guideline. He said society has assigned different levels of risk to different lifestyles. Certain lifestyles imply higher health risks. If Blue Cross/Blue Shield feels the risks incurred from this non-traditional group are minimal, then surely they should be willing to set up a separate rule for these potential insureds on a statewide, non-public basis. He said he resented Blue Cross/Blue Shield's suggestion that this was a minimal cost issue. It was also naive to suggest that AFSCME employees of the bargaining unit groups would not benefit from this coverage. He said this will be the basis for the development of a statewide policy. In his opinion it was not

appropriate for the Regents to determine this policy. This is a policy issue that needs to be resolved by the State legislature. Why should everyone associated with public sector employment be protected from all financial and lifestyle risks when many taxpayers in the private sector cannot afford minimal health care coverage? Why should they jeopardize or further encumber the existing cost of coverage to those in the present pool? Ultimately, all of these programs serve to diminish the resources available to provide cost effective education to the citizens of Iowa. His concern as a Board member was to make sure they maintain these opportunities. If the citizens of Iowa wish to make additional non-traditional benefits available to their employees, let them charge the Regents to do so and fund the effort accordingly.

Regent Tyrrell stated that his other concern was the COBRA provision Mark Schantz wrote a note saying that essentially there were questions about it but that university officials had answered that administratively these participants would be treated the same as they would under normal COBRA provisions.

Associate Vice President Small stated that Mr. Schantz had also consulted with the Attorney General's Office and was informed that the Iowa continuation law would not apply.

Regent Fitzgibbon said it was his understanding that there is nothing in the federal or state laws that applies to this kind of relationship. What does that mean as far as the university's or State's liability? Associate Vice President Small responded that University of Iowa officials do not believe the liability that would be engendered by adding this small group of people would be different in character from that of any other group.

President Pomerantz said the mechanics of this kind of coverage are the same as any other coverage. The insurance policy has conditions and requirements. The obligation of the carrier to those covered is stated by the policy. He presumes that the terms of the contract cover the liability of the employer.

Associate Vice President Small said that was correct.

President Pomerantz said he thought the point Regent Fitzgibbon was making was that this is new; there is not much law around it. There was a question about whether the Regents are establishing a precedent that could cause a negative impact on anything else they are doing. Is there a risk that they are getting into something for which they might be blindsided for whatever reason that has not been spoken to?

Associate Vice President Small responded that there was nothing of that nature that University of Iowa officials had been able to discover and

nothing that other companies and governmental bodies who have undertaken this type of coverage have discovered or encountered.

Regent Hendricks stated that inherently this appears to be discriminatory. The university policy evidently states that sexual preference should not be an issue in providing equal benefits. Shouldn't a heterosexual couple be able to receive these same benefits?

Professor Widiss responded that heterosexual couples already qualify for the benefits. The university already allows them to certify a common law marital state. University officials have tried to structure this very much in terms of a heterosexual couple who can establish the economic interdependence of a common law relationship. All of the conditions that have been placed on this are looking to the interdependence of the relationship between people of the same sex.

Regent Hendricks said it was her belief that requiring a heterosexual couple to establish a common law marital relationship goes one step beyond the university's anti-discrimination policy. She also felt that restricting coverage to only one of three benefit programs is inherently discriminatory.

Professor Widiss acknowledged that it was discriminatory but that they were trying to walk a conservative path at a time when the questions that were raised are legitimate. They did put limitations on the coverage, one of which was to limit coverage to the Chip II coverage. University officials hope to be able to come back to the Regents with their own claims experience in three years.

Regent Berenstein stated that he felt it was imperative that the recommendation include, by reference, all the supplemental documentation including the affidavit, the eligibility requirements and Mark Schantz' opinion as part of the adoption of the university's recommendation so there is no misunderstanding what the Regents are voting on. He wanted all the information that was supplied to the Regents be included as part of the motion.

AMENDMENT TO MOTION:

Regent Furgerson accepted the amendment proposed by Regent Berenstein. Regent Williams also agreed to the amendment to the motion.

Regent Berenstein said he agreed with Regent Fitzgibbon that there are no federal or state laws concerning the anti-discrimination policy. There is, however, an anti-discrimination policy at the university. Maybe the university has not been in compliance all these years because it has had a different policy toward these people. He stressed that they are only now complying with the university's anti-discrimination policy, not necessarily the anti-discrimination policy of the state of Iowa, which there is none.

Regent Berenstein then said that Professor Widiss had talked about the death provisions. Was he saying that all provisions of termination are going to be included because it is easier to administer or just the death provision?

Associate Vice President Small said she believed they were talking about all provisions.

Regent Berenstein said then, that COBRA does apply. Associate Vice President Small responded that COBRA does not apply as a right by law. University of Iowa officials will administratively provide the same notice and same continuation opportunities.

Regent Berenstein asked if Ms. Small was saying that university officials would supply the information to them administratively but not cover them as a matter of law. Associate Vice President Small said that was correct.

President Pomerantz asked if the continuation coverage availability was considered in the underwriting. Associate Vice President Small responded that it was.

Regent Berenstein stated that on December 31, 1995, this coverage ends. It does not automatically renew; it must be brought forth to this Board again with the financial information. This is not a situation where they get their "nose under the tent" and it just keeps going. The Regents have to approve this all over again and at that time they will consider the cost information using their own claims experience.

Regent Tyrrell noted, however, that university officials will not be able to terminate those policies. Policies that are initiated within the three-year period are good indefinitely. They can close the window of enrollment but they cannot terminate those policies. He said it would be grossly unfair to give someone insurance then three years later say they cannot have it any more. Anyone that is covered through this window of opportunity is guaranteed coverage as long as they remain employed at the university and pay their premium.

Regent Dorr said he felt this was a significant policy matter that is beyond the scope of the Regents. He did not think the Regents had any business addressing this at this point in time.

VOTE ON THE AMENDED MOTION: Upon the roll being called, the following voted:
AYE: Berenstein, Furgerson, Johnson, Pomerantz, Tyrrell, Williams.
NAY: Dorr, Hendricks.
ABSTAIN: Fitzgibbon.
ABSENT: None.

ELIGIBILITY FOR DOMESTIC PARTNERS FOR CHIP II COVERAGE

A qualified "domestic partner," as defined below, is eligible to apply for coverage under the University of Iowa Comprehensive Insurance Plan II. Except when application is made at the time of employment, applicants for coverage will be asked to complete a health questionnaire and may be required to pass a medical examination. An applicant may be offered coverage that includes an exclusion for health care expenses attributable to a medical condition existing at the time coverage is approved.

To be eligible for coverage as a "domestic partner," the university employee and the domestic partner must complete and file with the Staff Benefits Office an "Affidavit of Domestic Partnership" in which they attest in a certified written statement (a) that they are each other's sole domestic partner, (b) that they have agreed to be responsible for their common welfare, (c) that the domestic partner could not qualify for coverage as a common law spouse, and (d) that three of the following conditions exist for the partners:

1. The partners have been residing together for at least twelve months prior to filing the Affidavit of Domestic Partnership.
2. The partners have common or joint ownership of a residence (house, condominium, or mobile home).
3. The partners have at least two of the following arrangements:
 - (a) Joint ownership of a motor vehicle.
 - (b) A joint checking account.
 - (c) A lease for a residence identifying both domestic partners as tenants.
4. The domestic partner (a) has been designated as a beneficiary under the employee's University of Iowa Group Life Insurance coverage, (b) the domestic partner has been designated as a beneficiary for the death benefit payable from the employee's retirement annuity contract, or (c) the university employee declares that the domestic partner is identified as a primary beneficiary in the employee's will.
5. That the domestic partners have executed a "relationship contract" which (a) obligates each of the parties to provide support for the other party and (b) provides, in the event of termination of the domestic partnership, for a substantially equal division for any property acquired during the relationship. (A copy of the "relationship contract" with a certification of the signatures by a notary must be submitted to the Staff Benefits Office.)

Additional Provisions

1. Notification of changes. The parties must agree to notify the Staff Benefits Office of any change in the circumstances which have been attested to in the documents qualifying a person for coverage as a domestic partner.

2. Liability for false statements. If any company or the university suffers a loss because of a false statement contained in the documents submitted in connection with coverage for a domestic partner or as a consequence of failure to notify the Staff Benefits Office of a changed circumstance, the company or the university will be entitled to recover reasonable attorney fees in addition to damages for all such losses.
3. Termination. Either member of a domestic partnership may file a statement with the Staff Benefits Office indicating the relationship has ended. A copy of the termination will be mailed to the other partner unless both have signed the termination statement.
4. Waiting period. Following the termination of a domestic partnership, a twelve month waiting period must elapse before a university employee is eligible to designate a new domestic partner.

MP26/Exh.A

DOMESTIC PARTNER COVERAGE

I. INTRODUCTION

Background

The Funded Retirement and Insurance Committee (FRIC) first considered the issue of extending health benefits to domestic partners of University faculty and merit staff in 1990. At that time a majority of the committee felt that such an extension was a humane and equitable response to the needs of University community members who live in stable long-term relationships but who are not able to provide for the health costs of their family equivalents because their relationships are not recognized by the legal system. Nonetheless some committee members were concerned about the financial implications for the University and its employees of extending these benefits at a time of rising health care costs and the uncertainties created by the advent of AIDS/HIV disease.

For that reason, the issue was tabled until 1991 when these concerns could be explored more fully. To help FRIC assess the costs of providing these benefits, a subcommittee was formed to investigate the matter further.

Sources

Domestic partnership coverage currently is an area of intense interest in both the public and private sectors. Several institutions and municipalities have already or presently are addressing this issue. For this reason, the subcommittee was able to assemble information from and rely on the experiences of those entities who have extended or are considering extending domestic partnership coverage to their employees. Particularly instructive were two task force reports from Ohio State University and the City of San Francisco.

The City of San Francisco conducted an actual survey to determine what portion of its 31,000 employees would qualify for and utilize health care benefits for their named partners if the city offered such coverage. The San Francisco task force also did an actuarial study on the HIV-related costs of domestic partner coverage. The results of its employee survey and the actuarial calculations convinced the city that extension of benefits to domestic partners was economically feasible. San Francisco began extending such coverage to its employees in June of 1991.

The Ohio State University task force also concluded that domestic partnership coverage was economically feasible. To date the University has not acted on the task force recommendation.

In addition to these reports, the subcommittee did its own survey of many of the municipalities and private employers who currently offer health care coverage for domestic partners. Thus, the subcommittee was able to rely on the actual experiences of these providers in formulating its report. Currently, the cities of Seattle, Laguna Beach, Santa Cruz, Berkeley and West Hollywood extend health care coverage to named partners of their employees. Private employers such as the Village Voice, Ben &

Jerry's, American Friends Service, Lotus, Levis Strauss and several others also offer domestic partner coverage.

Finally, a report by Empire Blue Cross and Blue Shield of New York on AIDS cost and utilization, Abstract F.D. 812, which was presented at the Sixth International Conference on AIDS in San Francisco in June 1990 and a report by Fred Hellinger, senior economist with the National Center for Health Services Research, which appeared at 105 Public Health Reports No. 1, January-February 1990, were consulted for the projected lifetime health care costs of persons with AIDS.

II. COSTS OF DOMESTIC PARTNER COVERAGE

The costs to the University and its employees of extending health coverage to domestic partners fall into two main categories. One small direct cost to the University would be the additional charge paid to Blue Cross and Blue Shield of Iowa to administer the contracts for domestic partners. Another cost category to consider would be the potential increase in premiums for the group from any adverse claims experience from HIV-related disease.

Presumably all of the employees who would sign up for domestic partner health coverage already receive health care coverage through the University health insurance group. Heterosexual couples already have a mechanism for obtaining family health care coverage by filing a common-law marriage affidavit with the University benefits office. In addition, even without filing an affidavit, cohabiting couples can falsely claim they are married. The University does not require proof of marriage for family health care benefits even when couples have different surnames. In conducting its survey, the City of San Francisco found that almost 1% of the heterosexual couples responding to the survey already were obtaining domestic partner coverage by falsely claiming they were married. For the foregoing reasons, the University chose to focus on those with no avenue of gaining group coverage for a partner for whom they are economically responsible.

HIV-related Health Care Costs

The major category of additional cost considered by the subcommittee was HIV-related health care costs. For the purposes of this report, we assumed that all domestic partnerships in which both partners are male are in fact gay male partnerships. We also assumed that, within the domestic partnership population, only gay males would experience HIV-related costs. The potential number of gay partner enrollees was arrived at by using the two methods: employer surveys and demographic data. The survey of employers presently offering domestic partnership coverage reveal a remarkably low utilization by gay couples.

Employer	Total Employees	Total Gay Employees Enrolled	% of Total
West Hollywood, CA	105	1	0.6%
Laguna Beach, CA	225	0	0%
Santa Cruz, CA	650	0	0%
San Francisco, CA ¹ (projected)	31,000	594	1.9%
Ben & Jerry's	955	0	0%
Village Voice	231	5	.2%

Using demographic data, one learns that 1.8% of the national adult population live in same-sex relationships. Assuming that gay males form domestic partnerships at the same rate that lesbians do, then 0.9% of same-sex relationships in the general population are gay males. At the high end of projected utilization (San Francisco survey), we can expect that 1.9% of the University's 8,000 eligible employees or 152 of the faculty and staff enrolling for domestic partner health benefits will be gay men. The mid range utilization rate based on demographic data would be 0.9% of the University's 8,000 employees or 72 gay male employees who would sign up for domestic partner coverage. At the low end, we can expect that no gay men in the university's eligible employee population would sign up for domestic partner coverage.

To estimate the potential HIV-related costs, the subcommittee relied on the actuarial calculations used by the City of San Francisco to forecast these same costs for its employee population. These calculations were performed to arrive at the load factor the city would pay per employee per month to its health care providers to defray the potential additional costs of domestic-partner coverage. The San Francisco load factor was based on actuarial calculations of the cost of prophylactic AZT for HIV-positive individuals and the lifetime health care costs for persons with AIDS once an active diagnosis is made. Based on actual studies of the gay population in San Francisco, the city determined that 50% of the gay population is HIV-positive. Of that number, 13% who did not have an active case of AIDS were taking AZT at any given time. Finally, the city determined that the conversion rate from sero-positive to an active case of AIDS was 6 percent per year. The figure used by San Francisco for the lifetime health care costs once an AIDS diagnosis is made was \$50,000. All of these figures were well substantiated by the City and accepted by the three HMO's which will be providing the actual coverage.

The subcommittee's estimate of HIV-related costs deviated from the San Francisco projections in one respect. They used a figure of \$65,000 for the lifetime health care costs of individuals who have been diagnosed with AIDS. That figure was obtained from the Empire Blue Cross/Blue Shield Report and represents that insurer's experience of costs for 10,483 cases of

¹As noted earlier, these numbers were obtained from a random survey of the City of San Francisco's workforce.

AIDS among its insured's over a seven-year period. A copy of that abstract is available.

Based on the actuarial data of the San Francisco task force report, we estimated expected HIV-related costs at the medium and high end ranges of utilization as follows.

Medium Range Utilization

.09% gay domestic partners (demographic data)
 $.009 \times .50 \times .13 \times \$3200/12 = \$0.156$ or $\$0.16$
 $.009 \times .50 \times .06 \times \$65000/12 = \$1.46$

Total cost per active employee/per month of prophylactic AZT and active AIDS cases = 1.66.

Total cost per year = $\$1.66 \times 8,000 \times 12 = \$159,360$.

Stated otherwise:

$72 \times .50 \times .13 \times \$3200 = \$14,976$
 $72 \times .50 \times .06 \times \$65000 = \$140,400$
 Total cost per year = $\$155,376$

High End Utilization

1.9% gay domestic partners
 $.019 \times .50 \times .13 \times \$3200/12 = \$0.33$
 $.019 \times .50 \times .06 \times \$65000/12 = \$9.08$

Total cost per active employee per month of prophylactic AZT and active AIDS cases = $\$3.41$.

Total cost per year = $\$3.41 \times 8,000 \times 12 = \$327,360$

Stated otherwise:

$152 \times .50 \times .13 \times \$3200 = \$31,616$
 $152 \times .50 \times .06 \times \$65000 = \$296,400$
 Total cost = $\$328,016$.

At the low end of 0% utilization, the extension of domestic partner health benefits would not entail any additional HIV-related costs. (It should be noted that the University already has incurred HIV-related claims for members of its faculty and staff who have suffered from AIDS.)

To give some basis for comparing the projected HIV-related costs to current health care costs, one should note that the total claims for the employee population was $\$18,971,309$. Thus the HIV-related costs at a mid-range utilization represent only .8% of our current costs. At the high end of utilization, these costs represent 1.7% of the current expenditures.

The City of San Francisco which arrived at a lower projection of HIV-related costs of $\$3.00$ per active employee per month felt the cost projections were overstated for a number of reasons. Specifically, the City felt that the survey overstated the actual rate of utilization by gay domestic partners, that an estimate of $\$50,000$ for lifetime costs of AIDS

after diagnosis was too high, and finally, that an estimated 30% HIV infection rate among gay domestic partners was too high.

This assumption is borne out by the actual experience of those employees offering domestic partner coverage. Of those responding to the survey, only the Village Voice had a utilization rate approaching the San Francisco survey results. The cities of Santa Cruz and Laguna Beach and Ben & Jerry's Ice Cream of Vermont had no gay male employees enrolled in their domestic partner plan. West Hollywood, California, which has a substantial gay population, had only one gay employee take advantage of domestic partner coverage.

Likewise our projections are based on lifetime AIDS costs of \$65,000 per AIDS diagnosis while the San Francisco calculations are based on lifetime costs of \$50,000. To the extent San Francisco is correct that the \$50,000 figure is too high, our projections for HIV-related costs are grossly overstated. Finally, San Francisco and New York have been the epicenter of the HIV/AIDS epidemic. Consequently, even if the 30% infection rate for San Francisco is accurate, the rate of infection in Iowa is likely to be much lower and cost projections based on that rate would be too high.

It should also be noted that fears about adverse impact on health care insurance because of catastrophic AIDS claims have not been borne out by the experience of employees offering domestic partnership coverage. For example, the monthly surcharge imposed by the Kaiser Health Maintenance Organization in 1985 when the City of Berkeley began to offer domestic partner coverage was first reduced and then eliminated after three years of experience failed to justify the need for a loading factor to cover the expected additional claims of domestic partners. Likewise, the early experience with claims of Seattle's domestic partners has been better than that of spouses and much less than the amount budgeted by the city for such claims. The experience of these two employers is similar to that of employers responding to our survey who uniformly reported no adverse claims experience from the extension of domestic partner coverage. Finally, a report on domestic partner coverage released by Howitt Associates, a national health care consulting firm, found that the fears about catastrophic AIDS claims were not realized in any of the domestic partner plans that were studied.

One explanation for the favorable claims experience of domestic partners could be that domestic partners on the whole are younger than the general employee population and thus have fewer health problems associated with mid to later life. Another reason could be that this group utilizes pregnancy benefits less than married employees. Pregnancy claims accounted for 27% of SUI hospitalization charges for 1989-90 and consistently represent the largest cost component of our inpatient charges. Interestingly, Kaiser, one of the HMO's that will be providing domestic partner coverage for the City of San Francisco, was more concerned about the high cost of maternity claims than HIV-related costs.

While HIV-related costs are a valid concern in considering the extension of health benefits to domestic partners, they have not proven to have a seriously negative effect on other plans and should not be the linchpin upon which we make our decision.

IV. COST CONTAINMENT AND PHASED INTRODUCTION

One of the concerns about providing domestic partner coverage has been a fear that individuals with catastrophic health needs will overutilize this benefit or that employees will establish a domestic partnership with friends who have such needs for the sole purpose of obtaining this coverage. As noted earlier, adverse selection has not been a problem for those entities offering health care benefits to domestic partners.

One way to minimize the risk of adverse selection is to require domestic partners to contractually assume financial responsibility for the common necessities of life, including health care costs, the same financial obligations undertaken by individuals when they marry. Few individuals will be willing to obligate their assets and future earnings for another's health care, particularly for one with catastrophic health needs, unless they have a true domestic partner relationship. The University has established this requirement.

The next step to limit risk to the health insurance group would be to provide a mechanism for domestic partners to obtain health care coverage while controlling to some degree the enrollment costs and the amount of the claims until the scope of the potential eligible population can be ascertained. One method of controlling the enrollment costs is to allow employees to sign up for domestic partner coverage but require those signing up to pay the additional cost of the coverage. In other words, such employees would have to pay the difference between what the University pays for individual health care coverage and the total cost of the particular family coverage they choose. In that case, the only additional cost to the University would be the third party administrative costs. The cost of claims from domestic partner coverage could also be controlled partially by requiring domestic partners to enroll only the Chip II plan. Under this plan, the first \$800 of health care costs (up to a total of \$2600 per year) for the employee and each alternative family would be paid out of pocket in any given year.

V. CONCLUSION

One impetus for extending health care benefits to domestic partners is the principle of equity, or the equalization of employee benefits. Stated otherwise, the extension of health benefits to domestic partners is the provision of equal pay for equal work of similarly situated employees. Thus to the extent the provision of health benefits seeks to distribute the risk of health care costs among the employee population and to avoid pauperization of an employee with a costly family illness, then employers are having to change the basis on which benefits are provided to meet the changing needs of their employee population.

The extension of health care benefits to domestic partners is an issue of growing interest among employers. The cities of East Lansing, Michigan; Boston, Massachusetts; Madison, Wisconsin; and Minneapolis, Minnesota currently are considering the extension of health coverage for domestic partners. Montifore Hospital in New York City recently extended domestic partner health benefits to its 9,000 employees, and the City of San

Francisco extended such coverage to its 31,000 employees last June. Moreover, the experience of those employers who have extended such coverage, some of which have had domestic partner plans in place since as early as 1982, has not borne out the fears about adverse selection and catastrophic health care claims among the domestic partner population. Indeed, the utilization rate among the perceived high-risk group, gay men, has been exceedingly low. It would appear from that experience that the extension of health care benefits to domestic partners is not only eminently fair but also economically feasible.

STATE UNIVERSITY OF IOWA
October 21, 1992

Additional documentation submitted by the University of Iowa is on file as a part of the official Minutes.

C

THE UNIVERSITY OF IOWA

RECEIVED

OCT 12 1992

VICE PRESIDENT FOR
FINANCE & UNIVERSITY SERVICES

M E M O R A N D U M

TO: Mary Jo Small
FROM: Mark E. Schantz *MES*
DATE: October 12, 1992
RE: Domestic Partner Coverage

I have reviewed your memorandum concerning John Fitzgibbons' inquiry about potential litigation should a domestic partnership dissolve, and the non-employee partner is dropped from University coverage, without the ability to obtain other coverage.

I have verified that COBRA requirements are not applicable to domestic partners. They relate only to spouses in the traditional legal sense and to dependent children. The right of a non-employed person to extended coverage is purely a creature of statute. Therefore, I would think we would have no litigation risk unless we expressly or by clear implication manifested an intention to extend COBRA-like rights to domestic partners. To avoid any such implication, I would recommend that our "sign-up" documents for this coverage contain a clear disclaimer of any such intention.

I would be happy to assist with the formulation of such language when we get to that point.

\nd

THE UNIVERSITY OF IOWA



October 14, 1992

TO: John Fitzgibbon
FROM: Mary Jo Small *Mary Jo*
RE: Domestic Partners Insurance Coverage Proposal

Wayne Richey asked me to provide answers to some questions you had regarding our proposal, as follows:

1. Question: What is the definition of domestic partner?

Answer: The best answer to that question is found in the eligibility standards, which I have attached. As you will see, the standards have two crucial elements:

- a. The partner must be able to demonstrate joint economic responsibility by meeting a series of fairly rigorous tests.
- b. The partner is not able to assert joint economic responsibility either by formal marriage or by attesting to common law status.

2. Question: Why restrict this proposal to same sex partnerships?

Answer: We have restricted the proposal to same sex partnerships because a heterosexual partner who wishes to obtain health insurance coverage for a partner whom he or she has not formally married may already do so quite easily. The faculty or staff member need only go to the Staff Benefits office and attest to the existence of a common law marriage.

3. Question: How many partnerships do you estimate will take advantage of the proposal?

Answer: Using census figures and the experience of other employers with domestic partners coverage, the Funded Retirement and Insurance Committee estimated the maximum likely utilization to be 150 and the minimum to be zero. Based on my personal knowledge, I believe there will be somewhere between one and twenty partnerships which will take advantage of domestic partner coverage. I base my estimate on several grounds:

- a. In some cases, both partners are already employed by the University and are already in our group with a full University contribution and eligibility for participation in full coverage (Chip I). These partnerships will not need the new program.
- b. Other employers who offer domestic partnership coverage and do not contribute to the cost of the additional premium have had relatively low utilization. This should be particularly true in our case because (1) we limit coverage to a high deductible plan, and (2) we plan to require the employee partner to enroll in the high deductible plan rather than keep full coverage under Chip I.
- c. Even though there are health insurance disadvantages to the employee partner, there are a few faculty and staff members who have told me of their intention to enroll a partner, even given the disadvantages they will suffer.

4. **Question:** Wayne indicated you understand us to be saying that we will experience no "major" insurance premium increase for adding this coverage and would like a definition of "major," in that context.

Answer: If we add this coverage we will experience no premium increase in 1993, our next premium year. Some other employers who offer domestic partner coverage have started with a requirement for a small (\$3-\$5) per contract surcharge. After a few years of experience, these surcharges have been dropped because there was no evidence that the addition of domestic partners to the group adversely affected claims experience. Because our eligibility standards are so strict and our approach so cautious, Blue Cross/Blue Shield did not believe a surcharge was needed for our group.

If you have any additional questions regarding domestic partner coverage, please feel free to contact me.

THE UNIVERSITY OF IOWA



October 19, 1992

TO: Member, State Board of Regents

FROM: Mary Jo Small

RE: Implementation of Domestic Partner Coverage

In recent days I have responded to a number of questions regarding implementation of our proposal and I thought all members of the Board might be interested in the response I have provided. Questions have focused on the following areas.

1. Pre-existing conditions and adverse selection. Questions have arisen as to whether or not a faculty or staff member can enroll a partner who already suffers from a potentially costly medical condition and thus create an unanticipated cost to the group. Our existing policies with regard to enrollment as applied to domestic partner coverage should prevent that from happening. We will require faculty and staff members to enroll a domestic partner within thirty days of employment or else require the partner to submit to underwriting. Underwriting requires the person added to coverage to complete a health questionnaire. No coverage is provided for any medical conditions which is designated on the questionnaire. Coverage will only be available for unrelated medical claims. For instance, if a newly covered person had been treated for a heart condition, they would have no coverage for any medical claims related to that condition but would be covered in case of a broken leg requiring treatment.

A person who is found to have misrepresented his or her health condition on the questionnaire would immediately lose all coverage. In addition, legal remedies may be pursued to reclaim any monies expended because of the misrepresentation.

2. COBRA Rights. Federal law currently requires employers who offer health insurance coverage to provide continuation coverage within the employer's group to those who would otherwise leave the group because of termination of employment or change of relationship with an employee (e.g., divorce or non-dependency of grown children). Questions have been raised as to how these requirements apply to domestic partner coverage. As can be seen

from the attached memo from Mark Schantz, University General Counsel, the University believes that the federal requirements do not cover domestic partners. The issue is less clear with regard to Iowa's insurance continuation law. Mr. Schantz or another attorney under his supervision will consult with state officials as to their judgement prior to the Board meeting. It should be noted, however, that a survey of other employers offering domestic partners coverage indicated that all of these employers have a policy of treating domestic partners the same as those with COBRA rights. For large employers with highly automated administrative systems, it turns out to be easier, less costly and more prudent to do so. Since the University of Iowa is a large employer with a highly automated benefits administration system, we would intend to proceed as these employers have.

3. Effect of Three-year Trial Period. The three-year trial period will give us a chance to review the effects of the new coverage while limiting the danger of adverse selection. If the Board were not to extend coverage after January 1, 1996, no new domestic partner enrollees would be accepted after that date. During the three-year trial period, medical underwriting will be required except for domestic partners who are enrolled at the time of employment.

We have also planned to hold a single 30 day open enrollment period in November of 1992 for faculty and staff who are currently employed and who already meet the eligibility standards set forth in our proposal. Based on inquiries received by the Staff Benefits Office, it has been estimated that only a handful of faculty and staff desire to enroll a domestic partner during such an open enrollment period. Since no previous opportunity to enroll a domestic partner existed, permitting a limited, one time open enrollment period should present no danger of adverse selection. Medical underwriting would be required for a domestic partner of a currently employed faculty or staff member who was enrolled after the November open enrollment period.

The University of Iowa
AFFIDAVIT OF DOMESTIC PARTNERSHIP

I, _____, certify that:
(name of employee, please print)

1. I, _____, and
(name of employee, please print)

_____ reside together and intend to do so
(name of domestic partner, please print)

indefinitely at _____
(street) (city) (state) (zip)
and share the common necessities of life.

2. We affirm that the effective date of this domestic partnership is
_____ and that this domestic partnership has been in existence
(date)
for a period of twelve (12) consecutive months. We understand that documentation
may be required.

3. We are not married to anyone.

4. We are at least eighteen (18) years of age or older.

5. We are not related by blood closer than would bar marriage in the state of Iowa
and are mentally competent to consent to contract.

6. We are each other's sole domestic partner and intend to remain so indefinitely
and are responsible for our common welfare.

7. We understand that domestic partners are subject to the same window period
governing all other employees who are covered by or applying for benefit plan
coverage. Any children, new employees, adoptions, new marriages, and domestic
partnerships are all subject to a thirty (30) day limit on the enrollment period
beginning on the date of the event.

8. We agree to notify The University of Iowa Staff Benefits Office if there is any
change of circumstances attested to in this affidavit within thirty (30) days of
change by filing a state of termination of domestic partnership. Such a written
termination statement shall be provided to the University Staff Benefits Office
and shall affirm that the partnership is terminated and that a copy of the
termination statement has been mailed to the other partner.

9. After a termination with my domestic partner, I, _____
(name of employee, please print)
understand that another Affidavit of Domestic Partnership cannot be filed until
twelve (12) months after a statement of termination of the previous partnership
has been filed with the University Staff Benefits Office.

10. We understand that any person, employer, or company who suffers any loss because
of false statements contained in an "Affidavit of Domestic Partnership" may bring
a civil action against us to recover their losses, including reasonable attorney
fees.

11. We provide the information in this affidavit to be used by the University Staff Benefits Office for the sole purpose of determining our eligibility for domestic partnership benefits. We understand that this information will be held confidential and will be subject to disclosure only upon our expressed written authorization or pursuant to a court order.
12. We affirm, under penalty of perjury, that the ascertainment in this affidavit are true to the best of our knowledge.

(signature of employee)

(date) - - - - -

(employee's social security number)

(employee's date of birth)

(signature of domestic partner)

(date)

(domestic partner's social security number)

(domestic partner's date of birth)

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the capital register for the University of Iowa.

PERMISSION TO PROCEED WITH PROJECT PLANNING

Improvements for Main Power Plant and Campus Steam Distribution System

Engineering studies conducted on the University of Iowa Main Power Plant indicate improvements are needed during 1993-1994 to enable the plant to increase steam production to satisfy projected campus steam loads through the late-1990s. The campus steam distribution system also requires improvements in 1993 to enable the increased steam produced at the power plant to be distributed to the campus users.

Large increases in steam loads are projected in the west campus area due to the University Hospitals and Clinics building program and the west campus building needs from 1990 through 1999. Total steam distribution is projected to increase from the 1990 peak of 450,000 pounds per hour to over 750,000 pounds power hour during this decade. The major part of this load increase will occur during the 1992 to 1994 time frame.

The deficiencies and necessary improvements at the Main Power Plant and in the Steam Distribution System were provided to the Regents as well as the project schedule.

University officials also requested approval to utilize Stanley Consultants of Muscatine, Iowa, as consultants for this project. Stanley Consultants has assisted the university in the design of the existing facilities and is familiar with the facility and its operational procedures.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted five new projects for approval by the Board. These projects were included in the university's quarterly report of anticipated capital projects.

University Hospitals and Clinics--Material Services \$789,750
Processed Linen Storage and Dispensing Facility
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 650,000
Contingency	65,000
Architectural/Engineering Support	42,250
Planning and Supervision	<u>32,500</u>
TOTAL	\$ 789,750

This project will finish approximately 6,100 gross square feet of previously shelled-in space on the lower level of the Carver Pavilion. The project will develop a processed linen storage and dispensing facility as part of University Hospitals' phased development of a modern and consolidated material distribution system. Work to be accomplished includes the construction of walls and partitions, door frames and doors, installation of mechanical, electrical, HVAC and fire protection systems, and finish materials, including ceiling light fixtures, ceilings, wall and floor finishes.

University Hospitals and Clinics--Development of Radiology \$771,525
Faculty Offices

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 635,000
Contingency	63,500
Architectural/Engineering Support	41,275
Planning and Supervision	<u>31,750</u>
TOTAL	\$ 771,525

This project involves the completion of approximately 6,700 gross square feet of shell space on level three of the John Pappajohn Pavilion. This space will be finished to provide faculty and support staff offices for the Department of Radiology adjacent to the department's clinical facilities on the third levels of the Colloton and Pappajohn Pavilions. Work to be accomplished includes the construction of walls and partitions, door frames and doors, installation of mechanical, electrical, HVAC and fire protection systems, and finish materials, including ceiling light fixtures, ceilings, wall and floor finishes.

University Hospitals and Clinics--Mechanical Head-End \$765,085
Equipment Installation

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 629,700
Contingency	62,970
Architectural/Engineering Support	40,930
Planning and Supervision	<u>31,485</u>
TOTAL	\$ 765,085

This project involves the installation of air handling and other head-end mechanical equipment to support the future finishing of levels five through eight of the Pappajohn Pavilion for clinical and support functions. The project will also install stair tower pressurization systems required by life safety codes for high-rise buildings. The installation of this equipment is necessary to accommodate the phased development of future patient care and staff support services to be located on the upper levels of this pavilion. Work to be accomplished includes the installation of an air handling unit and associated exhaust fans, variable speed drives, controls, wiring and steam piping and the stair tower pressurization systems.

Electric Distribution Loop F \$560,000
Source of Funds: To Be Determined

Preliminary Budget

Materials and Equipment	\$ 502,000
Installation	28,000
Contingency	<u>30,000</u>
TOTAL	\$ 560,000

This proposed project will result in the installation of one additional high voltage electrical loop in the existing electrical duct bank system increasing the number of loops in the system from four to five. Completion of Loop F will facilitate load balancing of the existing loops and will enhance overall system reliability.

This project is required for the transmission of electric power on the west campus in response to increased electrical demands. Existing high voltage electrical transmission circuits are near or exceeding capacity during peak demand for power.

The project originates at Substation U, the west campus electrical interconnection with the local utility company, loops the west campus in existing duct bank and then terminates at Substation U.

Loop F will be accomplished through a combination of regular purchasing procedures for equipment and materials with installation by university

Physical Plant personnel, which is the established practice for high voltage electrical projects.

Electrical Distribution Loop J--Phase II \$400,000
Source of Funds: Utility Enterprise Improvement and Replacement
Fund or 74th General Assembly Academic Revenue
Bonds

Preliminary Budget

Materials and Equipment	\$ 310,000
Installation	42,000
Planning and Design	13,000
Contingency	<u>35,000</u>
 TOTAL	 \$ 400,000

This project is required for the transmission of electric power to the North Campus Chilled Water Plant and the John Pappajohn Business Administration Building. The project originates at the point of termination of Loop J, Phase I, near the Iowa Advanced Technology Laboratories, and Phase II continues on with cable installation in existing duct bank to the North Campus Chilled Water Plant and the John Pappajohn Business Administration Building with termination at the east campus electrical interconnection, Substation L.

This project will be accomplished through a combination of regular purchasing procedures for equipment and materials with installation by university Physical Plant personnel, which is established practice for high voltage electrical projects.

University officials presented a revised budget on the following project.

University Hospitals and Clinics--Patient and Public Patio
Surface Replacement

Source of Funds: University Hospital	Original Budget	<u>\$249,750</u>
Building Usage Funds	Revised Budget	<u>\$309,373</u>

Project Budget

	Original Budget <u>March 1992</u>	Revised Budget <u>Oct. 1992</u>
Construction	\$ 199,800	\$ 270,736
Architectural/Engineering	19,980	13,537
Contingency	19,980	16,100
Planning and Supervision	<u>9,990</u>	<u>9,000</u>
TOTAL	\$ 249,750 -----	\$ 309,373 -----

University officials requested Board ratification of a revised budget in the amount of \$309,373. The revised budget was approved by the Executive Director on October 13, 1992, to allow award of the construction contract for this project.

Bids were initially received for this project on May 5, 1992. At that time, only one bid was received which exceeded the preliminary budget. University officials rejected the bid and redesigned the project prior to the second bid opening on September 10, 1992, which resulted in the receipt of two bids. Both bids were lower than the single bid received in May but again exceeded the preliminary construction budget of \$199,800.

This project will replace a water sealant membrane system and concrete paver surface on the patient, visitor and staff patio located between the Carver and Colloton Pavilion inpatient bed towers. The project is required to replace the damaged and irregular pavers that have become a safety hazard to patio users and to repair the numerous water leaks into the Central Sterilizing Services (CSS) and Processed Stores facilities located beneath the patio.

The project architect did not believe the project could be redesigned to achieve a significant cost reduction. Also, any reduction in project scope would not adequately correct the water leaks and would compromise the finished CSS and Processed Stores facilities below. Completion of this project is essential to the timely occupancy of these facilities.

* * * * *

University officials reported three new projects which were included in the university's quarterly report of anticipated capital projects. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Pappajohn Pavilion Exit Corridors, Public Elevators Circulation
and Office Development \$48,770
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer for design services on this project which will finish approximately 10,000 gross square feet of previously shelled-in space on levels seven and eight of the Pappajohn Pavilion which is required to permit construction of code-required exit corridors and public elevator circulation on these levels. The agreement provides for a fee of \$48,770, including reimbursables.

University Hospitals and Clinics--Material Services Processed
Linen Storage and Dispensing Facility \$48,150
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer for design services on this project which will finish approximately 6,100 gross square feet of previously shelled-in space on the lower level of the Carver Pavilion which is required to develop a processes linen storage and dispensing facility as part of University Hospitals Consolidated Material Distribution System. The agreement provides for a fee of \$48,150, including reimbursables.

University Hospitals and Clinics--Development of Radiology
Faculty Offices \$47,075
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer for design services on this project which will finish approximately 6,700 gross square feet of shell space on level three of the John Pappajohn Pavilion which is required to provide faculty and support staff offices for the Department of Radiology adjacent to the department's clinical facilities on the third level of the Colloton and Pappajohn Pavilions. The agreement provides for a fee of \$47,075, including reimbursables.

University Hospitals and Clinics--Completion of Main Entrance
Lobby Shell \$47,055
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer for design services on this project which will finish approximately 4,100 gross square feet of previously shelled-in space on the first floor, west side of the Carver Pavilion to develop a patient and visitor entrance, lobby and waiting area, and to install two escalators linking the first

floor lobby area to the second level walkway to Hospital Parking Ramp #2. The agreement provides for a fee of \$47,055, including reimbursables.

University Hospitals and Clinics--Mechanical Head-End Equipment \$46,660
Installation
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer for design services on this project which will install air handling and other head-end mechanical equipment to support the future finishing of levels five through eight of the Pappajohn Pavilion for clinical and support functions which will accommodate the phased development of future patient care and staff support services to be located on the upper levels of the Pappajohn Pavilion. The agreement provides for a fee of \$46,660, including reimbursables.

Amendments:

University Hospitals and Clinics--Development of an Eye Institute
Hansen Lind Meyer, Inc., Iowa City, Iowa

Amendment #2 \$972,053
Amendment #3 \$19,149

University officials requested approval of Amendment #2 in the amount of \$972,053 and Amendment #3 in the amount of \$19,149 to the agreement with Hansen Lind Meyer. The amendments were necessary to allow additional design services required as a result of the revised project budget approved by the Board in May 1992.

The revised budget includes a mechanical/electrical subbasement to accommodate all equipment necessary for supporting the Final Phase Facility and Connecting Link to the John Pappajohn Pavilion with space to house all essential building support equipment. The revised budget also includes added shell space for the Final Phase Facility which will be developed to accommodate an Ear, Nose and Throat and Dental Institute, Iowa Women's Health Center, Geriatrics Clinic and other Internal Medicine clinics and facilities for essential support services.

Amendment #2 will accommodate additional design services for a utility tunnel, sizing of utility services, and head-end mechanical/electrical equipment required to support the 214,868 square feet increase in the building's gross area. These revisions to the original design were identified as alternates which have been awarded.

Amendment #3 will accommodate additional utility design services and coordination with the university's utility engineering consultant, Shive-Hattery Associates, for underground utilities, preparation of contract

documents for modification of adjacent parking ramp upper level access and construction of a model of the Eye Institute.

Amendments No. 2 and 3 will not result in an increase in the total project budget.

University Hospitals and Clinics--Operating Room Suite and Support Facilities Replacement Project \$42,850
Hansen Lind Meyer, Inc, Iowa City, Iowa

University officials requested approval of Amendment #7 in the amount of \$42,850 to the agreement with Hansen Lind Meyer for design services on this project. The amendment involves an added laser exhaust system design, pneumatic tube storage cabinet redesign, laser interlock redesign, Level 6 lockable access, dark room modifications, and anesthesia conference room meetings.

Amendment No. 7 will not result in an increase in the total project budget.

University Hospitals and Clinics--Neurology Clinic Expansion and Renovation \$6,190
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of Amendment #3 in the amount of \$6,190 to the agreement with Hansen Lind Meyer for design services on this project. The amendment involves the addition of the Reception and Scheduling Office to the project.

Amendment No. 3 will not result in an increase in the total project budget.

University Hospitals and Clinics--Frozen Section Laboratory and Development \$1,330
Hansen Lind Meyer, Inc., Iowa City, Iowa

University Hospitals and Clinics--Main Entrance Site Development and Road Reconfiguration \$900
Hansen Lind Meyer, Inc., Iowa City, Iowa

CONSTRUCTION CONTRACTS

Energy Management Program Implementation--Main Library \$703,900
Award to: Merit Electric, Ltd., Iowa City, Iowa
(4 bids received)

University Hospitals and Clinics--HVAC Expansion--Colloton Pavilion Lower Level \$248,100
Award to: Bowker Mechanical Contractors, Inc, Cedar Rapids, Iowa
(4 bids received)

North Campus Chilled Water Plant--Chilled Water Expansion--
Ceramic Cooling Tower \$205,226
Award to: Ceramic Cooling Tower Company, Fort Worth, TX
(2 bids received)

University Hospitals and Clinics--Patient and Public Patio
Surface Replacement \$270,736
Award to: Mid-America Construction Company of Iowa, Iowa City, Iowa
(2 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Energy Management Program Implementation--Phase II--West Side Academic
Facilities
Control Installations of Iowa, Inc., Des Moines, Iowa

MacLean Hall--Remodeling and Renewal
LifeTime Electrical Contractors, Inc., Cedar Rapids, Iowa

MOTION: Regent Furgerson moved to approve the university's capital register, as presented. Regent Johnson seconded the motion, and it carried unanimously.

LEASE OF PROPERTY. The Board Office recommended the Board approve a lease, as follows:

With THOMAS R. ALBERHASKY for the university's use of 2,017 square feet of warehouse space located at 624 South Madison Street, Iowa City, Iowa, for a one-year period commencing November 1, 1992, through October 31, 1993, at a rate of \$550 per month.

MOTION: Regent Hendricks moved to approve the lease, as presented. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hendricks, Johnson, Pomerantz, Tyrrell, Williams.
NAY: None.
ABSENT: None.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to the University of Iowa. There were none.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, October 21, 1992.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve personnel transactions, as follows:

Register of Personnel Changes for August and September 1992 which included 1 early retirement.

MOTION: Regent Fitzgibbon moved to approve the university's personnel transactions, as presented. Regent Williams seconded the motion, and it carried unanimously.

APPROVAL OF UNDERGRADUATE MAJOR. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials proposed a Bachelor of Arts/Bachelor of Science degree major in Interdisciplinary Studies to replace two similar majors "Distributed Studies" and "Individual Major" that were eliminated by the Board of Regents in December 1991 as a part of Iowa State University's proposals for increased efficiency, with the provision that the two majors would be replaced by a single major.

The program will be offered for undergraduate students who have interdisciplinary educational goals that cannot be met by an existing major or curriculum in a single department of the university. The program would draw upon courses already offered by all the departments within the College of Liberal Arts and Sciences and does not require new courses.

There are no increases in expenditures anticipated as a result of the adoption of this program. In addition, there may be some small savings in administrative costs realized by the discontinuation of the Distributed Studies and Individual Major.

ACTION: This request was referred by consent.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended that the capital register for Iowa State University be approved.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted three new projects for approval by the Board. These projects were included in the university's quarterly report of anticipated capital projects.

Botany Hall Remodeling (Carrie Chapman Catt Hall) \$5,000,000

Preliminary Budget

Contracts	\$ 3,375,000
Demolition	75,000
Design Services	398,400
Construction Administration	109,450
University Services	40,000
Miscellaneous	10,000
Landscaping	20,000
Utility Extensions	80,000
Movable Equipment	385,000
Art Work	25,000
Building Automation	50,000
Telecommunications	70,000
Project Reserve	<u>362,150</u>
TOTAL	\$ 5,000,000
Source of Funds: Building Repair Fund	\$ 1,350,000
Income from Treasurer's	
Temporary Investments	1,500,000
ISU Foundation	1,250,000
74th General Assembly Academic	
Revenue Bonds, Series 1991	<u>900,000</u>
TOTAL	\$ 5,000,000

The project budget is based on a feasibility study which was completed in 1987. Some changes to the budget may be necessary as the scope of the project develops and further evaluation of the physical condition of the building is conducted. It is anticipated that the project will be phased due to the need to determine the scope of the interior structural repairs or replacements and also according to the rate at which private donations are received in support of the project.

Gilman Hall--Partial Third Floor Remodeling \$450,000

Preliminary Budget

Contracts	\$ 310,000
Design Services	48,500
Construction Administration	9,765
University Services	2,000
Miscellaneous	2,000
Movable Equipment	34,100
Telecommunications	1,000
Project Reserve	<u>42,635</u>
TOTAL	\$ 450,000
Source of Funds: ISU Foundation	\$ 400,000
Block Grant Funds (fiscal year 1992)	<u>50,000</u>
TOTAL	\$ 450,000

Iowa State University officials completed a comprehensive analysis of space utilization in Gilman Hall. This study was initiated, in part, by the moving of the Department of Biochemistry and Biophysics to the new Molecular Biology Building. The space needs of several departments in the College of Liberal Arts and Sciences and the College of Engineering were analyzed and space reassignments were approved by university and college administrations.

The project will include minimal remodeling of approximately 12,000 net square feet of space assigned to the Department of Materials Science and Engineering. Some of the area will need complete remodeling to convert laboratory space to office space, but the majority of the space will require only general clean-up and the addition of utilities with no physical change to the space layout. Since much of the space is in the areas designated for the Gilman Hall Renovation--Phase 4 project, for which capital funding was being requested for fiscal year 1997, an attempt will be made to make improvements that will remain when the Phase 4 project is funded.

This project includes remodeling for the Department of Materials Science and Engineering in the amount of \$400,000 which was originally included in the Sweeney Hall Addition and Renovation project. A revised budget for the Sweeney Hall project showing a reduction of \$400,000 was also included in this capital register. University officials also incorporated a smaller project in the amount of \$50,000 for various remodeling projects for the Department of Materials Science and Engineering.

Knoll--Replacement of First Floor Carpet \$41,000
 Source of Funds: ISU Foundation

Preliminary Budget

Purchase Order Contracts	<u>\$ 41,000</u>
TOTAL	\$ 41,000

In March 1990 the Board authorized the university to proceed with various projects at the Knoll using private funds through the ISU Foundation. The university's request for improvements to the Knoll was based on a study of the condition of the residence initiated at the outset of the presidential search.

This project will replace the existing carpet in the Knoll which has reached the end of its useful life. University officials wish to install new carpet that will complement the history of the home and provide ease of maintenance. The carpet and installation will be purchased through standard university purchasing procedures.

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University officials presented revised budgets on the following projects.

Dairy Industry--Addition and Renovation--Phase 2

March 1991 Budget \$1,754,910
 Revised Budget \$2,030,910

Project Budget

	Budget Approved <u>March 1991</u>	Revised Budget <u>Oct. 1992</u>
Contracts	\$ 1,250,000	\$ 1,571,198
Site Development/Land Acquisition	35,000	0
Design Services	155,700	165,700
Construction Administration	40,442	46,133
University Services	11,000	11,500
Miscellaneous	3,000	8,000
Building Automation	40,000	47,000
Telecommunications	25,000	25,000
Project Reserve	<u>194,768</u>	<u>156,379</u>
TOTAL	<u>\$ 1,754,910</u>	<u>\$ 2,030,910</u>

IOWA STATE UNIVERSITY
October 21, 1992

	<u>Budget Approved March 1991</u>	<u>Revised Budget Oct. 1992</u>
Source of Funds: USDA-CSRS Grant	\$ 1,242,764	\$ 2,030,910
Pending USDA-CSRS Grant	<u>512,146</u>	<u> </u>
TOTAL	\$ 1,754,910	\$ 2,030,910

University officials requested approval of a revised project budget in the amount of \$2,030,910 which is an increase of \$276,000 over the last approved budget in March 1991. This increase will allow construction to proceed on Part C of this project to complete facilities required for the Center for Crops Utilization Research. The increase is funded by a transfer of \$276,000 from the Phase 3 portion of this project.

Dairy Industry--Addition and Renovation--Phase 3

March 1991 Budget \$4,650,000
Revised Budget \$4,374,000

Project Budget

	<u>Budget Approved March 1991</u>	<u>Revised Budget Oct. 1992</u>
Contracts	\$ 3,410,000	\$ 3,406,110
Site Development/Land Acquisition	15,000	0
Design Services	317,400	347,100
Construction Administration	127,214	81,565
University Services	41,000	130,300
Miscellaneous	8,000	8,000
Landscaping	60,000	60,000
Building Automation	120,000	103,079
Central Control System Extension	0	17,500
Telecommunications	70,000	30,000
Project Reserve	<u>481,386</u>	<u>190,346</u>
TOTAL	<u>\$ 4,650,000</u>	<u>\$ 4,374,000</u>
Source of Funds: USDA-CSRS Grant	\$ 1,864,146	\$ 4,374,000
Pending USDA-CSRS Grant	<u>2,785,854</u>	<u> </u>
TOTAL	\$ 4,650,000	\$ 4,374,000

University officials requested approval of a revised budget in the amount of \$4,374,000 which is a decrease of \$276,000 from the last approved budget in March 1991. University officials wish to transfer the \$276,000 to the Phase 2 portion of this project to allow completion of the facilities required for the Center for Crops Utilization Research. Both projects are funded by a U.S. Department of Agriculture CSRS Grant. The USDA has approved this fund transfer.

Sweeney Hall Addition and Renovation

Sept. 1991 Budget \$8,000,000
Revised Budget \$7,600,000

Project Budget

	Budget Approved <u>Sept. 1991</u>	Revised Budget <u>Oct. 1992</u>
Contracts	\$ 5,275,014	\$ 4,893,694
Design Services	537,150	580,060
Construction Administration	150,500	154,000
University Services	50,000	50,000
Miscellaneous	20,000	20,000
Landscaping	30,000	30,000
Utility Extensions	204,000	204,000
Movable Equipment	1,000,000	1,000,000
Art Work	40,000	40,000
Building Automation	75,000	75,000
Central Control System Extension	0	17,500
Telecommunications	95,000	10,000
Project Reserve	<u>523,336</u>	<u>525,746</u>
 TOTAL	 \$ 8,000,000 -----	 \$ 7,600,000 -----
 Source of Funds: ISU Foundation	 \$ 1,400,000	 \$ 1,000,000
73rd General Assembly		
Academic Revenue Bonds	<u>6,600,000</u>	<u>6,600,000</u>
 TOTAL	 \$ 8,000,000	 \$ 7,600,000

University officials requested approval of a revised budget in the amount of \$7,600,000 which is a decrease of \$400,000 from the last approved budget in September 1991. The decrease was due to the university's reassignment of space for the Department of Materials Science and Engineering which was originally included in the Sweeney Hall project in the amount of \$400,000. This has now been incorporated into the Gilman Hall--Partial Third Floor Remodeling project.

Gilman Hall Renovation--Phase 3

March 1990 Budget \$7,040,000
Revised Budget \$7,255,471

Project Budget

	Budget Approved <u>March 1990</u>	Revised Budget <u>Oct. 1992</u>
Contracts	\$ 4,959,730	\$ 5,264,982
Site Development/Land Acquisition	140,000	208,000
Design Services	404,000	682,500
Construction Administration	117,000	153,961
University Services	80,000	162,520
Miscellaneous	20,000	20,000
Landscaping	30,000	30,000
Utility Extensions	150,000	199,502
Fixed Equipment	20,000	39,804
Movable Equipment	0	3,068
Art Work	35,200	0
Building Automation	162,000	162,000
Telecommunications	100,000	100,000
Project Reserve	<u>822,070</u>	<u>229,134</u>
 TOTAL	 \$ 7,040,000 =====	 \$ 7,255,471 =====
 Source of Funds:		
74th General Assembly		
Academic Revenue Bonds		\$ 6,000,000
72nd General Assembly		
Capital Appropriation	\$ 7,040,000	1,005,471
71st General Assembly		
Academic Revenue Bonds	<u> </u>	<u>250,000</u>
 TOTAL	 \$ 7,040,000	 \$ 7,255,471

University officials requested approval of a revised budget in the amount of \$7,255,471 which is an increase of \$215,471 over the last approved budget in March 1990. This project was originally funded by a capital appropriation of the 72nd General Assembly. The budget was being revised to reflect a portion of funds which were deappropriated and partially restored with the sale of 1992 project notes. The revised budget also reflects the transfer of \$250,000 from the Gilman Hall Renovation--Phase 2 project in order to complete Stage 3 of the Phase 3 project.

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University officials reported six new projects with budgets of less than \$250,000 which were included in the university's quarterly report of anticipated capital projects. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

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ARCHITECT/ENGINEER AGREEMENTS

Botany Hall Remodeling (Carrie Chapman Catt Hall) \$367,000
Baldwin Clause Architects, Des Moines, Iowa

In July 1992 the Board authorized the university to proceed with planning and the selection of an architect for this project. The university received responses from 18 architectural firms and selected four firms for interviews and further evaluation. The interviews were conducted on September 3, 1992, with Regent John Fitzgibbon participating. University officials recommended the selection of Baldwin Clause Architects of Des Moines, Iowa, to provide design services for this project. The firm has demonstrated extensive experience in remodeling historic buildings including a current project involving significant renovation to Old Main on the Drake University campus. University officials requested approval of an architectural agreement in the amount of \$367,000, including reimbursables.

Amendments:

Campanile Renovation \$7,500
Rietz Engineering Consultants, Ames, Iowa

CONSTRUCTION CONTRACTS

Campanile Renovation

Reject Bids

Two bids were received for the construction contract for this project on September 15, 1992. Both bids exceeded the engineering estimate of \$380,000 by at least 46 percent. On October 1, 1992, the Executive Director authorized the university to reject the bids. The project is currently under evaluation by the university.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Applied Sciences Center 1--Renovation of Microelectronics Research Center
Harold Pike Construction, Inc., Ames, Iowa

MOTION: Regent Furgerson moved to approve the capital register for Iowa State University, as presented. Regent Williams seconded the motion, and it carried unanimously.

APPROVAL OF LEASES. The Board Office recommended the Board approve leases, as follows:

With the MAGNETICA, LTD., for its use of 82.5 square feet of business incubator space, Suite 609, in the Iowa State Innovation System, on a month-to-month basis commencing October 1, 1992, at a rate of \$100 per month; and

With IOWA THIN FILM TECHNOLOGIES, INC., for its use of 110 square feet of business incubator space, Suite 607, in the Iowa State Innovation System, for an eight-month period commencing October 1, 1992, through May 31, 1993, at a rate of \$135 per month.

MOTION: Regent Hendricks moved to approve leases and easements, as presented. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hendricks, Johnson, Pomerantz, Tyrrell, Williams.
NAY: None.
ABSENT: None.

President Pomerantz then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa State University. There were none.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, October 21, 1992.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the university's personnel transactions, as follows:

Register of Personnel Changes for September 1992.

MOTION: Regent Fitzgibbon moved to ratify the university's personnel transactions, as presented. Regent Williams seconded the motion, and it carried unanimously.

ESTABLISHMENT OF A CENTER FOR THE ENHANCEMENT OF TEACHING. The Board Office recommended the Board approve the Center for the Enhancement of Teaching at the University of Northern Iowa.

University of Northern Iowa officials requested approval to establish a Center for the Enhancement of Teaching. The primary mission for the Center for the Enhancement of Teaching will be to assist University of Northern Iowa faculty members to improve their teaching through a variety of Center activities.

The basic funding to establish the Center for Enhancement of Teaching has been committed by the university through internal reallocation. The total fiscal year 1993 budget of \$131,000 will provide for the salary and fringe benefits of a director for the Center, a half-time secretary, and some supplies, services, and equipment. Similar in-house teaching improvement activities are being developed at the University of Iowa and Iowa State University.

This effort is consistent with Board and institutional goals to improve teaching and learning.

MOTION: Regent Williams moved to approve the Center for the Enhancement of Teaching at the University of Northern Iowa. Regent Furgerson seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions as submitted by the University of Northern Iowa.

CONSTRUCTION CONTRACTS

Classroom-Office Building--Art Work \$71,500
Award to: Fletcher Benton, San Francisco, CA

Seerley Hall Renovation--Art Work/Mural \$87,000
Award to: Upper Midwest Conservation Association, Minneapolis, MN

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Wright Hall Equipment--Computer Equipment \$58,324.75
Sun Microsystems Computer Corporation, Bloomington, MN

Regent Hendricks noted that contract awards in this capital register went to companies in California and Minnesota. She asked if university officials had received any Iowa bids on either of the contracts.

Vice President Conner responded that the university has an Art and Architecture Committee which functions under the facilities planning office. It reviewed bids and proposals from all over the country.

Regent Hendricks asked if the basis for contract award was subjective based on the artwork. Vice President Conner responded that it was.

MOTION: Regent Williams moved to approve the university's capital register, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to the University of Northern Iowa.

Professor Longnecker asked to say a few words about the tuition increase issue. He stated that prior to 1990 he had pleaded to tie tuition increases to an index such as the Higher Education Price Index. He realizes now that he made a mistake; he was wrong. Although he thought it was a reasonable suggestion, he did not have the whole picture. He realized later that he had based his opinion on the assumption that the legislature would also appropriate its fair share of the funding. He assumed all sources of funding would be increased proportionately. However, the State funding per student has dropped drastically. In order to maintain the quality of education, additional funding had to come from some place. He then

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apologized for encouraging the Regents to tie tuition increases to some kind of index.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, October 21, 1992.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify personnel transactions, as follows:

Register of Personnel Changes For September 1992 and

Provided for the Board's information was the appointment of LARAINÉ CONWAY as Principal of the Elementary School effective November 16, 1992, at an annual salary of \$42,000.

MOTION:

Regent Fitzgibbon moved to ratify personnel transactions, as presented. Regent Williams seconded the motion, and it carried unanimously.

REQUEST FOR APPROVAL OF STUDENT PUBLICATION POLICY. The Board Office recommended that the Board approve the Student Publication Policy proposed by the Iowa School for the Deaf officials.

Iowa School for the Deaf officials developed a Student Publication Policy to guide students who are involved with various publications at the school.

The policy was reviewed by the Attorney General's Office and was recommended by the Iowa School for the Deaf Advisory Committee.

School officials reported that they have not had a problem in this area but other school districts have had problems and the Department of Education has urged schools to adopt publication policies.

Regent Hendricks stated that it is State law that schools adopt a student publication policy. She suggested that Iowa School for the Deaf officials include "violation of lawful school regulations or material that causes substantial disruption to the educational process". She did not believe the policy as proposed was totally inclusive.

MOTION:

Regent Hendricks moved to approve the Student Publication Policy proposed by the Iowa School for the Deaf officials with the additional wording that she had suggested. Regent Tyrrell seconded the motion, and it carried unanimously.

REQUEST FOR APPROVAL OF NAMING OF VOCATIONAL BUILDING. The Board Office recommended the Board approve the naming of the Iowa School for the Deaf vocational building the Thomas Anderson Careers Center.

Iowa School for the Deaf officials requested that its vocational building be named after Mr. Thomas Anderson. Mr. Anderson was a vocational education principal for many years and was instrumental in the development of the vocational program.

The recommendation for the naming of this building was a recommendation of the Iowa Association of the Deaf and the Iowa School for the Deaf. After many contributions to the Iowa School for the Deaf and the deaf community, Mr. Anderson died in 1966.

MOTION:

Regent Williams moved to approve the proposed contract with the Loess Hills Area Education Agency 13. Regent Johnson seconded the motion, and it carried unanimously.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to the Iowa School for the Deaf. There were none.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, October 21, 1992.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve personnel transactions, as follows:

Register of Personnel Changes for the period August 30 through September 26, 1992.

MOTION: Regent Fitzgibbon moved to approve personnel transactions, as presented. Regent Williams seconded the motion, and it carried unanimously.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to Iowa Braille and Sight Saving School. There were none.

EXECUTIVE SESSION. President Pomerantz requested the Board enter into closed session pursuant to Code of Iowa section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent, and the Board had a request from an employee whose performance was being considered, that the Board meet in closed session pursuant to the Code of Iowa section 21.5(1)(i).

MOTION: Regent Williams moved to enter into closed session. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hendricks, Johnson, Pomerantz, Tyrrell, Williams.
NAY: None.
ABSENT: None.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 4:12 p.m. on Wednesday, October 21, 1992, and arose therefrom at 5:33 p.m. on that same date.

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ADJOURNMENT. The meeting of the State Board of Regents adjourned at
5:33 p.m., on Wednesday, October 21, 1992.

A handwritten signature in cursive script, reading "R. Wayne Richey". The signature is written in black ink and is positioned above a horizontal line.

R. Wayne Richey
Executive Director